

Cove Point LNG Limited Partnership: First Revised Volume No. 1  
First Revised Title Page : Effective  
Superseding: Original Title Page

FERC GAS TARIFF

FIRST REVISED VOLUME NO. 1  
(Supersedes Original Volume No. 1) OF  
COVE POINT LNG LIMITED PARTNERSHIP

FILED WITH THE  
FEDERAL ENERGY REGULATORY COMMISSION

COMMUNICATIONS CONCERNING THIS TARIFF  
SHOULD BE ADDRESSED TO:

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PRELIMINARY STATEMENT

Cove Point LNG Limited Partnership (Operator) is engaged in the business of operating a liquefied natural gas (LNG) facility to receive natural gas or LNG, liquefy natural gas, store LNG, regasify LNG, and deliver natural gas or LNG in interstate commerce under authorization granted by and subject to the jurisdiction of the Federal Energy Regulatory Commission. The facilities operated by Operator consist of an LNG plant located on the western shore of the Chesapeake Bay near Cove Point, Maryland and a natural gas pipeline extending from the LNG plant to Loudoun County, Virginia.

The services set forth herein will be undertaken by Operator only under written contracts acceptable to Operator upon consideration of existing commitments, operational capability, and any other factors deemed pertinent to Operator.

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SYSTEM MAP

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CURRENTLY EFFECTIVE RATES  
APPLICABLE TO RATE SCHEDULES FPS-1 AND FPS-2  
(\$ PER DTH)

Rate	Base Tariff Rate	Annual Charge Adjustment	Total
Rate Schedule FPS-1			
Maximum Reservation			
Processing/Storage	4.2709	-	
Transmission	0.6764	-	
Total Max. Reservation	4.9473	-	
4.9473			
Minimum Reservation	0.0000	-	
0.0000			
Commodity			
Maximum	0.0009	0.0022	
0.0031			
Minimum	0.0000	0.0022	
0.0022			
Overrun	0.0231	0.0022	
0.0253			
Rate Schedule FPS-2			
Maximum Reservation			
Processing/Storage	2.7119	-	
Transmission	0.6764	-	
Total Max. Reservation	3.3883	-	
3.3883			
Minimum Reservation	0.0000	-	
0.0000			
Commodity			
Maximum	0.0009	0.0022	
0.0031			
Minimum	0.0000	0.0022	
0.0022			
Overrun	0.0231	0.0022	
0.0253			

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**Second Revised Sheet No. 6** Second Revised Sheet No. 6 : Effective  
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CURRENTLY EFFECTIVE RATES  
APPLICABLE TO RATE SCHEDULES FPS-3 AND FTS  
(\$ PER DTH)

Rate	Base Tariff Rate	Annual Charge Adjustment	Total
Rate Schedule FPS-3			
Maximum Reservation			
Processing/Storage	2.4014	-	
Transmission	0.6764	-	
Total Max. Reservation	3.0778	-	
3.0778			
Minimum Reservation	0.0000	-	
0.0000			
Commodity			
Maximum	0.0009	0.0022	
0.0031			
Minimum	0.0000	0.0022	
0.0022			
Overrun	0.0231	0.0022	
0.0253			
Rate Schedule FTS			
Reservation			
Maximum	0.6764	-	
0.6764			
Minimum	0.0000	-	
0.0000			
Commodity			
Maximum	0.0009	0.0022	
0.0031			
Minimum	0.0000	0.0022	
0.0022			
Overrun	0.0231	0.0022	
0.0252			

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**Seventh Revised Sheet No. 7** Seventh Revised Sheet No. 7 : Effective  
Superseding: Sixth Revised Sheet No. 7

CURRENTLY EFFECTIVE RATES  
APPLICABLE TO RATE SCHEDULES ITS  
(\$ PER DTH)

Rate	Base Tariff Rate	Annual Charge Adjustment	Total
Rate Schedule ITS			
Commodity			
Maximum	0.0231	0.0022	
0.0253			
Minimum	0.0000	0.0022	
0.0022			
Retainage Factors(1)			
		Section 4	Section 5(h)
Rate Schedule FPS-1		18.8%	2.6%
Rate Schedule FPS-2		18.8%	2.6%
Rate Schedule FPS-3		18.8%	2.6%
Rate Schedule FTS	0.6%		
Rate Schedule ITS	0.6%		

(1) Operator shall retain a quantity of natural gas equivalent to the stated percentage factor multiplied by the quantity of natural gas received for transportation or storage.

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**Original Sheet No. 7A** Original Sheet No. 7A : Effective

Daily Rate for Capacity Release Under GISB Standard 5.3.22

Rate Schedule FPS-1	\$ 0.16265	/Dth
Rate Schedule FPS-1	\$ 0.11140	/Dth
Rate Schedule FPS-3	\$ 0.10119	/Dth
Rate Schedule FTS	\$ 0.02224	/Dth

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Sheet Nos. 8 through 12 are

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**Original Sheet No. 13** Original Sheet No. 13 : Effective

RATE SCHEDULES FPS-1, FPS-2, FPS-3

10-Day, 5-Day, 3-Day Firm Peaking Service

1. AVAILABILITY

This rate schedule is available to any Buyer for the purchase from Cove Point LNG Limited Partnership (hereinafter referred to as "Operator") of a firm peaking service consisting of the receipt and liquefaction of Natural Gas, the receipt and storage of liquefied Natural Gas ("LNG"), and the regasification of such LNG and delivery of Natural Gas, provided that the facilities required to render service have been constructed or reactivated and made available for service and, provided further that:

(a) Operator has sufficient facilities and storage capacity available to receive Natural Gas or LNG from or on behalf of Buyer without diminishing the level of existing service to other Buyers under other firm services offered by Operator including this Rate Schedule;

(b) Buyer has submitted a valid request for service under Section 3 (Requests for Service) of the General Terms and Conditions, and Operator has (i) accepted Buyer's request for service and (ii) awarded capacity to Buyer under the provisions of Section 4 (Bidding for Available Firm Service) of the General Terms and Conditions; or Buyer has executed a precedent agreement for service pursuant to this

Rate Schedule prior to the initial effective date of this Rate Schedule;

(c) Buyer and Operator have executed the Service Agreement for firm peaking service under this Rate Schedule in the form included in this Tariff; and

(d) Buyer complies with the provisions of this Rate Schedule and with all other applicable provisions of this Tariff.

2. APPLICABILITY AND CHARACTER OF SERVICE

(a) The peaking service provided by Operator under this Rate Schedule shall be performed under Part 284 of the Commission's Regulations. Such service shall apply to all LNG and Natural Gas received, liquefied, stored as LNG, and subsequently delivered as regasified LNG by Operator for Buyer under this Rate Schedule up to the Maximum Daily Peaking Quantity ("MDPQ"), plus any authorized excess withdrawal quantities, as set forth in Buyer's Service Agreement. Service provided under this Rate Schedule shall be considered to be firm.

(b) Firm peaking services of Operator under this Rate Schedule shall have the priority specified in Section 15 (Capacity Allocation) of the General

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Terms and Conditions and shall be subject to interruption to the extent provided in this Rate Schedule or in Section 16 (Interruptions of Service ) of the General Terms and Conditions. Peaking service shall be provided by Operator on a nondiscriminatory basis under the Natural Gas Act.

### 3. PEAKING SERVICE PROVIDED

(a) In accordance with the further provisions of this Rate Schedule, Operator shall (i) store as LNG, quantities of Natural Gas received for liquefaction or LNG received by Operator from or on behalf of Buyer during the Injection Season and designated by Buyer as peaking service quantities, up to the Maximum Contract Peaking Quantity ("MCPQ") as set forth in Buyer's Service Agreement, plus quantities required by Operator for fuel use including fuel used in liquefaction, loss and unaccounted for purposes or for the exchange of Natural Gas for LNG in storage (herein referred to as "Retainage"), and (ii) deliver to Buyer during the Withdrawal Season equivalent quantities of regasified LNG up to the MCPQ at a daily rate up to one hundred fifteen percent (115%) of Buyer's MDPQ. Buyer's MDPQ under Rate Schedule FPS-1 (10-Day Firm Peaking Service) shall equal one-tenth (1/10) of its MCPQ. Buyer's MDPQ under Rate Schedule FPS-2 (5-Day Firm Peaking Service) shall equal one-fifth (1/5) of its MCPQ. Buyer's MDPQ under Rate Schedule FPS-3 (3-Day Firm Peaking Service) shall equal one-third (1/3) of its MCPQ.

(b) Operator's maximum obligation to provide peaking service to all Buyers under all peaking service Rate Schedules shall be limited to an aggregate MCPQ of 5.0 MMDth.

(c) For purposes of establishing Operator's maximum peaking service obligation, all quantities of Natural Gas tendered for liquefaction and/or storage are assumed to have a minimum heating value of 1,030 Btu's per cubic foot. If Natural Gas or LNG tendered by or for Buyer has an actual average heating value of less than 1,030 Btu's per cubic foot, Buyer's MCPQ and MDPQ shall be proportionately adjusted downward.

(d) Buyer, in addition to the firm peaking service received under this Rate Schedule, may make a one-time election during the term of Buyer's Service Agreement with Operator to receive transportation service under Operator's Rate Schedule FTS ("Elected FTS Service"). The Maximum Firm Transportation Quantity ("MFTQ") for such Elected FTS Service shall not exceed Buyer's MDPQ and the term for such Elected FTS Service shall not extend beyond the term of Buyer's Service Agreement under this Rate Schedule. Buyer may nominate quantities of Natural Gas for receipt and delivery along the Cove Point Pipeline under the Elected FTS Service pursuant to the scheduling provisions of Rate Schedule FTS; provided, however, that the total daily combined quantities flowing under this Rate Schedule (exclusive of Authorized Excess Withdrawal Quantities) and the Elected FTS Service shall not exceed Buyer's MDPQ. The Reservation Charge to be paid by Buyer each month under the Elected FTS Service shall be credited against Buyer's monthly charge to be paid pursuant to Buyer's Service Agreement with Operator under this Rate Schedule. The Elected FTS Service shall have the same priority for capacity allocations and interruptions as firm transportation service provided by Operator

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under Rate Schedule FTS.

4. RATE

- (a) All charges for firm peaking service shall be set forth in the Currently Effective Rate Sheet of this Tariff.
- (b) For all firm peaking service rendered under this Rate Schedule, Buyer shall pay Operator each month the charges set forth below:
  - (1) Reservation Charge: The Maximum Reservation Charge for the current month. The Monthly Reservation Charge shall be assessed on each Dth of MDPQ specified in the Buyer's Service Agreement. If Buyer is a transportation customer under the Elected FTS Service set forth in Section 3(d) above, the monthly charges set forth in Buyer's Service Agreement shall be credited with an amount equal to Buyer's Reservation Charge set forth under Rate Schedule FTS as such charge may be adjusted from time to time by Operator pursuant to the Commission's Regulations. Pursuant to 18 C.F.R. Section 284.8(I) of the Commission's regulations, until September 30, 2002, the maximum rate ceiling does not apply to capacity release transactions of less than one year. The rate paid in any capacity release transaction not subject to the maximum rate ceiling will not be subject to refund.
  - (2) Commodity Charge: The maximum Commodity Charge per Dth of Natural Gas delivered during the prior month to or for the account of Buyer under this Rate Schedule.
  - (3) Retainage: In addition to the charges set forth in Paragraph (a) above, Operator shall retain quantities-in-kind of Natural Gas as compensation for fuel used in plant operations (including fuel for liquefaction) and lost and unaccounted for quantities, such quantities being referred to herein as "Retainage." The Retainage quantities-in-kind, expressed as a percentage of Natural Gas or LNG receipts shall be those specified in the Currently Effective Rate Sheet of this Tariff as subsequently adjusted in accordance with the General Terms and Conditions of this Tariff. In no event shall the total Retainage during a Contract Year exceed twenty and one half percent (20.5%) of Buyer's MCPQ. Operator shall adjust the Retainage percentage as described in the General Terms and Conditions.
  - (4) Surcharges: The surcharges applicable to this Rate Schedule.
  - (5) Regulator Fees: Buyer shall pay Operator in advance all fees required by the Commission or any regulatory body having jurisdiction related to this Service provided to Buyer under this Rate Schedule including, but not limited to, filing, reporting and application fees.

5. DESCRIPTION OF OPERATIONS

- (a) Fifteen (15) days prior to the beginning of (i) the initial Injection Season and (ii) each subsequent Injection Season, Operator shall provide Buyer with an Initial Injection Season Delivery Schedule (the "Delivery Schedule") showing the daily quantity of Natural Gas, including Retainage, to be received by Operator for liquefaction and storage for each Buyer's account each month during the upcoming Injection Season. As soon as practicable, but no later than five (5)

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days after the Buyer's receipt of the Delivery Schedule, Buyer may either accept the schedule or request Operator to modify the Delivery Schedule and Operator shall, to the extent possible, make such modification if in Operator's reasonable judgement Buyer's request can be implemented consistent with: (i) Operator's anticipated operating plans for the Cove Point LNG Plant, (ii) Operator's contractual obligations to all other Buyers of service under this Rate Schedule who would be affected by the requested modification, and (iii) requests for modification of the Delivery Schedule by all other Buyers under this Rate Schedule. Six (6) business days prior to the upcoming Injection Season, Operator will provide Buyer with a Delivery Schedule so modified (the "Final Delivery Schedule"). Buyer shall make all necessary arrangements to deliver or cause to be delivered daily quantities of Natural Gas to Operator during the upcoming Injection Season pursuant to the Final Delivery Schedule.

(b) Injections during the Injection Season. Operator agrees to receive, liquefy and inject LNG into storage, for each Buyer's account during the Injection Season, quantities of Natural Gas at the daily delivery rates set forth in the Final Delivery Schedule. It is understood that the Natural Gas for injection into storage as LNG shall be provided by Buyer and delivered to Operator, including Retainage, at existing Receipt Points on Operator's Cove Point Pipeline as set forth in Buyer's Service Agreement and, except for Retainage, title to the Natural Gas or LNG in storage shall not be transferred from Buyer to Operator. Any LNG withdrawn by Buyer during the Injection Season, subject to the limitations of this Section 5, shall be deducted from Buyer's Liquefied Gas Balance and shall not be available for withdrawal during the Withdrawal Season unless such quantity is replenished, pursuant to Section 5(c) and/or 5(d) of this Rate Schedule or Section 11 (LNG Inventory Transfers) of the General Terms and Conditions.

(c) Excess Injections during the Injection Season. If, as a result of withdrawal of LNG from storage during the Injection Season, Buyer's Liquefied Gas Balance will be less than its MCPQ on the first day of the Withdrawal Season, Buyer may request Operator to inject Natural Gas into storage for Buyer's account in excess of the quantities set forth in the Final Delivery Schedule. Operator may make such excess injection if, in Operator's reasonable judgment, such injection can be made without adverse effect on Operator's operation or the scheduled injection of other Buyers' Natural Gas and shall be at such times and such flow rates as may be agreed upon between Operator and Buyer.

(d) Injections during the Withdrawal Season. Buyer may request Operator to inject Natural Gas into storage for Buyer's account during a Withdrawal Season. Operator may permit Buyer to schedule Natural Gas for liquefaction and injection into storage tanks during a Withdrawal Season if, in Operator's reasonable judgment, such injection can be made without adverse effect on Operator's operations or the scheduled withdrawals of other Buyers' gas and shall be at such times and such flow rates as may be agreed upon between Operator and Buyer.

(e) Withdrawals from Storage. When Buyer desires that LNG stored for its account under this Rate Schedule be delivered to it during the Withdrawal

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Season, unless waived by Operator, Buyer shall, pursuant to the nominating and scheduling provisions of Section 6 (Operating Conditions) of the General Terms and Conditions of this Tariff, give two (2) hours minimum notice prior to 8:00 a.m. to Operator's dispatcher specifying the quantity of regasified LNG desired during the current day and the applicable Delivery Point(s). Operator shall deliver to or for Buyer during that day the quantity of regasified LNG so nominated not to exceed one hundred fifteen percent (115%) of Buyer's MDPQ or its remaining Liquefied Gas Balance. Operator shall be obligated to deliver at the daily rate specified by Buyer up to, but not more than one hundred fifteen percent (115%) of Buyer's MDPQ during any day. Operator shall not be obligated to deliver to any Buyer at an hourly rate in excess of one hundred twenty percent (120%) of 1/24th of Buyer's MDPQ.

(f) Withdrawals in Excess of MDPQ. During the Withdrawal Season, Buyer may nominate, at the time and in the manner specified in sub-paragraph (e), quantities of Natural Gas for Delivery to Buyer from Buyer's Liquefied Gas Balance in excess of Buyer's MDPQ, at a total withdrawal rate not to exceed one hundred fifteen percent (115%) of its MDPQ. Operator will make such deliveries to or for the account of Buyer pursuant to the scheduling provisions of Section 6 (Operating Conditions) of the General Terms and Conditions of this Tariff. All quantities of Natural Gas delivered by Operator each day in excess of Buyer's MDPQ, up to one hundred fifteen percent (115%) of Buyer's MDPQ, shall be Authorized Excess Withdrawal Quantities.

(g) Withdrawals during Injection Season. Buyer may nominate Natural Gas for delivery to Buyer from Buyer's Liquefied Gas Balance during the Injection Season in a daily amount not to exceed Buyer's MDPQ. Operator will make such deliveries if it can do so in its reasonable judgment, without adverse effect on Operator's firm services or operations. Such nominations shall be made pursuant to the scheduling provisions of Section 6 (Operating Conditions) of the General Terms and Conditions of this Tariff.

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(h) Storage Turnover. Each Buyer of peaking service under this Rate Schedule shall, unless provided a waiver from Operator, withdraw every twenty-four (24) months, in accordance with the provisions of this Section 5, a minimum quantity of LNG in storage equal to the lower of Buyer's maximum Liquified Gas Balance during the twenty-four month period or Buyer's MCPQ. The first such twenty-four (24) month period shall commence on April 16 of the first Injection Season following commencement of service under this Rate Schedule. If Buyer has not withdrawn all quantities of LNG in storage at the end of the Withdrawal Season, then Operator shall retain as Retainage a quantity of LNG equal to Buyer's Liquefied Gas Balance on April 16 multiplied by the applicable Retainage percentage.

(i) Elected FTS Service. Buyers that receive service under an Elected FTS Service shall not schedule or deliver daily quantities of Natural Gas for transportation under such Elected FTS Service in excess of Buyer's MDPQ nor shall the total daily combined quantity of Natural Gas nominated and delivered to or for the account of Buyer under this Rate Schedule (exclusive of Authorized Excess Withdrawal Quantities) and such Elected FTS Service exceed Buyer's MDPQ.

#### 6. POSSESSION OF NATURAL GAS AND LNG

Operator shall be deemed to be in control of and have responsibility for the Natural Gas to be stored as LNG by Operator after the receipt thereof by Operator from Buyer or others at Buyer's direction, and prior to the delivery of such Natural Gas to Buyer. Operator shall be deemed to have no responsibility with respect to such Natural Gas or LNG prior to Operator's receipt thereof, or after Operator's delivery of Natural Gas or regasified LNG thereof, to or for Buyer's account.

#### 7. WARRANTY OF TITLE

Buyer hereby warrants title to all Natural Gas to be delivered to Operator by Buyer, or others at Buyer's direction, under the provisions of this Rate Schedule and the right of Buyer to deliver such Natural Gas, or cause it to be delivered to Operator, and Buyer warrants that all such Natural Gas is owned by Buyer free from all liens, encumbrances and adverse claims whatsoever, including liens to secure payment of any taxes. Buyer agrees to indemnify Operator and save Operator harmless from all suits, actions, debts, accounts,

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damages, costs, losses and expenses arising from or out of any breach of the foregoing warranty. At no time during the Operator's possession of Natural Gas received, stored as LNG, or delivered to or for Buyer's account shall title to Natural Gas pass from Buyer to Operator except for those quantities received by Buyer and retained as Retainage as specified in this Tariff.

8. GENERAL TERMS AND CONDITIONS

All of the General Terms and Conditions of this Tariff are hereby incorporated herein by reference.

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**Original Sheet Nos. 20 Through 44** Original Sheet Nos. 20 Through 44 : Effective

Sheet Nos. 20 through 44 are

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**Original Sheet No. 45** Original Sheet No. 45 : Effective

RATE SCHEDULE FTS  
Firm Transportation Service

1. AVAILABILITY

This Rate Schedule is available to any Buyer for the purchase from Cove Point LNG Limited Partnership(hereinafter referred to as "Operator") of firm transportation service consisting of the receipt and delivery of Natural Gas on the Cove Point Pipeline, provided that:

(a) Operator has sufficient facilities and transportation capacity available to receive Natural Gas from or on behalf of Buyer and deliver Natural Gas to or for Buyer without diminishing the level of existing service to other Buyers under firm services offered by Operator;

(b) Buyer has submitted a valid request for service under Section 3 (Requests for Service) of the General Terms and Conditions, and Operator has (i) accepted Buyer's request for service, and (ii) awarded capacity to Buyer under the provisions of Section 4 (Bidding for Available Firm Service) of the General Terms and Conditions or Buyer has executed a precedent agreement for service pursuant to this Rate Schedule prior to the initiation of service hereunder;

(c) Buyer and Operator have executed an FTS Service Agreement for firm transportation service under this Rate Schedule in the form included in this Tariff; and

(d) Buyer complies with all other applicable provisions of this Tariff.

2. APPLICABILITY AND CHARACTER OF SERVICE

(a) The transportation service provided by Operator under this Rate Schedule shall be performed under Subpart B or G of Part 284 of the Commission's Regulations. Such service shall be provided on a firm basis and shall apply to all Natural Gas transported each day by Operator for Buyer under this Rate Schedule, up to the Maximum Firm Transportation Quantity ("MFTQ") set forth in Buyer's FTS Service Agreement.

(b) Firm transportation services of Operator under this Rate Schedule shall have the priority status specified in Section 15 (Capacity Allocation) and be subject to interruptions to the extent provided in this Rate Schedule or Section 16 (Interruptions of Service) of the General Terms and Conditions. Transportation services shall be provided by Operator to any Buyer in accordance with the terms and conditions of this Rate Schedule, on a nondiscriminatory basis under the Natural Gas Act.

(c) Firm transportation services under this Rate Schedule shall be available for periods each year of less than twelve (12) consecutive months provided that sufficient capacity and facilities exist to provide such service for the requested period. The term of the Service Agreements for such service shall be established

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in accordance with Section 5 (Service Agreement) of the General Terms and Conditions.

3. TRANSPORTATION SERVICE PROVIDED

- (a) In accordance with the further provisions of this Rate Schedule, Operator shall receive Scheduled Daily Receipt Quantities of Natural Gas from or on behalf of Buyer and shall deliver thermally equivalent Scheduled Daily Delivery Quantities, less quantities for Operator's fuel use, losses and unaccounted for purposes (herein referred to as "Retainage"), to or for Buyer. Service under this Rate Schedule shall be provided on a firm basis.
- (b) Operator's maximum obligation to receive Natural Gas for transportation service on any day for Buyer shall be limited to the lesser of (i) Buyer's MFTQ plus Retainage, or (ii) Buyer's Scheduled Daily Receipt Quantity. Operator's maximum obligation to deliver Natural Gas on any day for Buyer under this Rate Schedule shall be the lesser of (i) Buyer's MFTQ, or (ii) Buyer's Scheduled Daily Delivery Quantity, or (iii) the quantity of Natural Gas Operator receives for Buyer less Retainage.
- (c) Buyer shall have the right to release and assign the service rights under its FTS Service Agreement in accordance with Section 10 (Release and Assignment of Service Rights) of the General Terms and Conditions. Service to an assignee under any such release and assignment shall be subject to the provisions set forth in this Rate Schedule and in the applicable General Terms and Conditions.

4. RATE

- (a) All charges for firm transportation service shall be set forth in the Currently Effective Rate sheet of this Tariff.
- (b) For all transportation service rendered under this Rate Schedule, Buyer shall pay Operator each month the charges set forth below:
  - (1) Reservation Charge: The maximum Reservation Charge for the current month. The monthly Reservation Charge shall be assessed on each Dth of MFTQ specified in the Buyer's FTS Service Agreement. Pursuant to 18 C.F.R. Section 284.8(I) of the Commission's regulations, until September 30, 2002, the maximum rate ceiling does not apply to capacity release transactions of less than one year. The rate paid in any capacity release transaction not subject to the maximum rate ceiling will not be subject to refund.
  - (2) Commodity Charge: The maximum Commodity Charge per Dth of Natural Gas delivered during the prior month to or for the account of Buyer under this Rate Schedule.
  - (3) Retainage: Operator shall retain from Buyer's Natural Gas tendered for transportation hereunder, a percentage as compensation for fuel used and lost and unaccounted for quantities in Operator's operation (Retainage). Such percentage shall be specified in the Currently Effective Rate sheet of this Tariff, as subsequently adjusted in accordance with the General Terms and Conditions of this Tariff.

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(4) Surcharges: The surcharges applicable to this Rate Schedule.

(5) Regulatory Fees: Buyer shall pay Operator in advance all fees required by the Commission, or any regulatory body having jurisdiction, related to service provided to Buyer under this Rate Schedule including, but not limited to, filing, reporting and application fees.

5. NOMINATIONS OF SCHEDULED DAILY RECEIPTS AND DELIVERIES

A Buyer shall nominate quantities of Natural Gas for transportation under its Service Agreement pursuant to the nominating and scheduling provisions of Section 6 (Operating Conditions) of the General Terms and Conditions of this Tariff.

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6. POSSESSION OF NATURAL GAS

Operator shall be deemed to be in control of and have responsibility for Natural Gas after the receipt thereof by Operator from Buyer or others at Buyer's direction, and prior to the delivery of such Natural Gas to Buyer. Operator shall have no responsibility with respect to such Natural Gas prior to Operator's receipt thereof, or after Operator's delivery of such, to or for Buyer's account.

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7. WARRANTY OF TITLE

Buyer hereby warrants title to all Natural Gas delivered to Operator by Buyer, or others at Buyer's direction, for transportation hereunder and the right of Buyer to deliver such Natural Gas, or cause it to be delivered to Operator, and Buyer warrants that all such Natural Gas is owned by Buyer free from all liens, encumbrances and adverse claims whatsoever, including liens to secure payment of any taxes. Buyer agrees to indemnify Operator and save Operator harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising from any breach of the foregoing warranty. At no time during the Operator's possession of Natural Gas received for Buyer's account shall title to Natural Gas pass from Buyer to Operator except for those quantities received by Buyer and retained as Retainage as specified in this Tariff.

8. GENERAL TERMS AND CONDITIONS

All the General Terms and Conditions are applicable to this Rate Schedule and are hereby made a part hereof, with the exception of Section 11 (LNG Inventory Transfers).

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RATE SCHEDULE ITS  
Interruptible Transportation Service

1. AVAILABILITY

This Rate Schedule is available to any Buyer for the purchase from Cove Point LNG Limited Partnership (hereinafter referred to as "Operator") of interruptible transportation service consisting of the receipt and delivery of Natural Gas on the Cove Point Pipeline, provided that:

(a) Operator has sufficient facilities and transportation capacity available to receive Natural Gas from or on behalf of Buyer and deliver Natural Gas to or for Buyer without diminishing the level of existing service to other Buyers under firm services offered by Operator;

(b) Buyer has submitted a valid request for service under Section 3 (Requests for Service) of the General Terms and Conditions, and Operator has (i) accepted Buyer's request for service, and (ii) awarded capacity to Buyer under the provisions of this Rate Schedule;

(c) Buyer and Operator have executed an ITS Service Agreement for interruptible transportation service under this Rate Schedule in the form included in this Tariff; and

(d) Buyer complies with the provisions of this Rate Schedule and with all other applicable provisions of this Tariff.

2. APPLICABILITY AND CHARACTER OF SERVICE

(a) The transportation service provided by Operator under this Rate Schedule shall be performed under Subpart B or G of Part 284 of the Commission's Regulations. Such service shall be provided on an interruptible basis and shall apply to all Natural Gas transported by Operator for Buyer under this Rate Schedule, up to the Interruptible Transportation Quantity (ITQ) set forth in Buyer's ITS Service Agreement.

(b) Interruptible transportation services of Operator under this Rate Schedule shall have, subject to the scheduling provisions of this Tariff, the priority status specified in Section 15 (Capacity Allocation) and be subject to interruptions to the extent provided in this Rate Schedule or Section 16 (Interruptions of Service) of the General Terms and Conditions. Transportation services shall be provided by Operator to any Buyer in accordance with the terms and conditions of this Rate Schedule, on a nondiscriminatory basis under the Natural Gas Act.

3. TRANSPORTATION SERVICE PROVIDED

(a) In accordance with the further provisions of this Rate Schedule, Operator shall receive scheduled quantities of Natural Gas from or on behalf of

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Buyer at Buyer's Receipt Points and shall deliver thermally equivalent scheduled quantities, less quantities for Operator's fuel use, losses and unaccounted purposes (herein referred to as "Retainage"), to or for Buyer at Buyer's Delivery Points. Service provided under this Rate Schedule shall be subject to interruption at any time or as required to provide service to customers under any firm rate schedule.

(b) Operator's maximum obligation to receive Natural Gas for transportation service on any date for Buyer shall be limited to the lesser of (i) Buyer's ITQ plus Retainage, or (ii) Buyer's Scheduled Daily Receipt Quantity. Operator's maximum obligation to deliver Natural Gas on any day for Buyer under this Rate Schedule shall be the lesser of (i) Buyer's ITQ, or (ii) Buyer's Scheduled Daily Delivery Quantity, or (iii) the quantity of Natural Gas Operator receives for Buyer less Retainage.

(c) Buyer shall not be permitted to increase its existing flowing quantities under this Rate Schedule, regardless of the Transportation Quantity set forth in Buyer's ITS Service Agreement, if such increase would cause a reduction of existing quantities flowing on Operator's system under any other Service Agreement of equal or higher priority. For purposes of making this determination with regard to requests for increased flowing quantities as of the first Day of a Month, the existing quantities flowing on Operator's system shall be deemed to be those quantities flowing on the fifth business day preceding the first Day of that Month. A scheduled temporary reduction in the quantities being transported, if requested by Buyer and approved by Operator, shall not reduce the level of Buyer's existing quantities flowing on Operator's system for purposes of this paragraph.

(d) Service rights under an ITS Service Agreement may not be released and assigned.

#### 4. BIDDING PROCEDURE

(a) Operator on a daily basis shall post a notice on its EBB setting forth: (i) the capacity available for bidding under this Rate Schedule, including capacity at applicable receipt and delivery points; and (ii) the Minimum Bid Rate, inclusive of applicable surcharges for such capacity. The Minimum Bid Rate shall not be higher than the total effective Maximum ITS Rate set forth in the Currently Effective Rates sheet of this Tariff. All bids between the Minimum Bid Rate and the Maximum ITS Rate shall be deemed to be selective discounts and shall be reported under any Commission regulations applicable to such selective discounts.

(b) Buyers seeking to obtain all or a portion of that capacity shall, through Operator's EBB, submit their bids for the capacity to Operator, together with their nominations of service under the provisions of Section 6 of this Rate Schedule ITS. Buyer's bid for capacity under this Rate Schedule shall state the rate Buyer is offering to pay for the service it has nominated in terms of cents per Dth (>/Dth) to the nearest hundredth of a cent (00.00>). Buyer's bid rate shall be no lower than the Minimum Bid Rate and no higher than the total effective Maximum ITS Rate as set forth on the Currently Effective Rates sheet of this Tariff. Operator may reject any bids: (i) for an amount lower than the Minimum

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Bid Rate; or (ii) from bidders that do not currently have an ITS Service Agreement with Operator.

(c) Operator shall allocate the capacity available under this Rate Schedule based upon the respective bid rates received for that capacity, and in accordance with the provisions of Section 15 (Capacity Allocation) of the General Terms and Conditions.

#### 5. RATE

(a) All charges for interruptible transportation service shall be set forth in the Currently Effective Rate Sheet of this Tariff.

(b) For all transportation service rendered under this Rate Schedule, Buyer shall pay Operator Buyer's Bid Rate each month which shall include the charges set forth below:

(1) **Commodity Charge:** The Commodity Charge per Dth of gas delivered during the prior month to or for the account of Buyer under this rate schedule, such charge being no lower than the Total Effective Minimum Rate or higher than the Total Effective Maximum Rate.

(2) **Retainage:** Operator shall retain from Buyer's Natural Gas tendered for transportation, a percentage as compensation for fuel used and lost and unaccounted for quantities in Operator's operations (Retainage). Such percentage shall be specified in the Currently Effective Rate Sheet of this Tariff as subsequently adjusted in accordance with the General Terms and Conditions of this Tariff.

(3) **Surcharges:** The surcharges applicable to this Rate Schedule.

(4) **Regulatory Fees:** Buyer shall pay to Operator in advance all fees required by the Commission, or any regulatory body having jurisdiction, related to service provided to Buyer under this Rate Schedule including, but not limited to, filing, reporting and application fees.

#### 6. NOMINATIONS OF SCHEDULED DAILY RECEIPTS AND DELIVERIES

(a) A Buyer shall nominate quantities of Natural Gas for transportation under its Service Agreement pursuant to the nominating and scheduling provisions of Section 6 (Operating Conditions) of the General Terms and Conditions of this Tariff.

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(b) Operator shall deliver to Buyer each hour the quantity of Natural Gas requested by Buyer; provided, however, that if the operational integrity of Operator's system or Operator's ability to provide service to any customer under any Rate Schedule is threatened by such deliveries, Operator may, at any time thereafter, require Buyer to accept each hour such quantities of Natural Gas less Retainage as are received each hour for Buyer's account at the Receipt Points.

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7. POSSESSION OF NATURAL GAS

Operator shall be deemed to be in control of and have responsibility for Natural Gas after the receipt thereof by Operator from Buyer or others at Buyer's direction, and prior to the delivery of such Natural Gas to Buyer. Operator shall have no responsibility with respect to such Natural Gas prior to Operator's receipt thereof, or after Operator's delivery of such, to or for Buyer's account.

8. WARRANTY OF TITLE

Buyer hereby warrants title to all Natural Gas delivered to Operator by Buyer, or others at Buyer's direction, for transportation hereunder and the right of Buyer to deliver such Natural Gas, or cause it to be delivered to Operator, and Buyer warrants that all such Natural Gas is owned by Buyer free from all liens, encumbrances and adverse claims whatsoever, including liens to secure payment of any taxes. Buyer agrees to indemnify Operator and save Operator harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising from any breach of the foregoing warranty. At no time during the Operator's possession of Natural Gas received for Buyer's account shall title to Natural Gas pass from Buyer to Operator except for those quantities received by Buyer and retained as Retainage as specified in this Tariff.

9. GENERAL TERMS AND CONDITIONS

All the General Terms and Conditions are applicable to this Rate Schedule and are hereby made a part hereof, with the exception of Sections 4 (Bidding for Available Firm Capacity), 10 (Release Assignment of Service Rights) and 11 (LNG Inventory Transfers).

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GENERAL TERMS AND CONDITIONS

1. Definitions

The following terms, when used in this Tariff, or any other document referred hereto, are intended and used and shall be construed to have meanings as follows:

1.1 "Billing Month": The period of time between any two consecutive final monthly meter readings, and in reference to a calendar month, the month in which the majority of the Billing Month occurs.

1.2 "British Thermal Unit" and "Btu": The amount of heat necessary to raise from 59°F to 60°F the temperature of one avoirdupois pound of pure water at a pressure of 14.73 pounds per square inch absolute (psia). "MMBtu" refers to one million Btu's.

1.3 "Business Day": Shall mean Monday through Friday excluding Federal banking holidays.

1.4 "Buyer": Any purchaser of service offered in this Tariff from Operator.

1.5 "Central Clock Time" or "C.T.": Central standard time adjusted for daylight savings time.

1.6 "Commission": The Federal Energy Regulatory Commission or any successor agency having jurisdiction over the rates and charges and services hereunder.

1.7 "Confirming Party": The entity that operator shall contact for confirmation purposes. The Confirming party may be an interconnecting operator or upstream/downstream titleholder.

1.8 "Contract Year": For purposes of Rate Schedules FPS-1, FPS-2 and FPS-3, the period of twelve (12) consecutive months beginning on April 16 of any calendar year and ending on April 15; and for purposes of Rate Schedules FTS and ITS, the period of twelve (12) consecutive months beginning on the date of initiation of service and each twelve (12) consecutive months thereafter.

1.9 "Cove Point Pipeline": The 36-inch O.D. pipeline owned by Operator which extends from the tailgate of the Cove Point LNG Plant to a point of interconnection with the facilities of Columbia Gas Transmission Corporation and CNG Transmission Corporation in Loudoun County, Virginia.

1.10 "Cove Point LNG Plant": The facilities located at Cove Point, Maryland, which are owned by Operator and are capable of receiving, storing and regasifying LNG and receiving, liquefying and delivering Natural Gas or LNG.

1.11 "Day": A period of 24 consecutive hours commencing at 9 a.m. Central Clock Time on any calendar day and ending at 9 a.m. Central Clock Time on the next calendar day.

1.12 "Delivery Point(s)": The point(s) where Operator has agreed in the Service Agreement to deliver regasified LNG or LNG to or for Buyer's account.

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1.13 "Dth" or "Dekatherm": One million (1,000,000) Btu's and shall be the standard unit of quantity.

1.14 "Designated Site": The electronic address used to contact an entity for EDI Transmission.

1.15 "EDI": Electronic Data Interchange as defined by the standards established by the Gas industry Standards Board ("GISB") and approved by the Commission, or Operator defined data sets where no GISB standard exists.

1.16 "Elected FTS Service": The Rate Schedule FTS Service offered as an option to all Buyers pursuant to Rate Schedules FPS-1, FPS-2 and FPS-3.

1.17 "Electronic Bulletin Board" and "EBB": Operator's computerized system for the posting, sending, receiving of notices and other communications under this Tariff.

1.18 "Electronic Measurement": That form of measurement consisting of flow computers or computerized Remote Terminal Units (RTU's), electronic transducers, and associated power, data communications, and other electronic equipment to accomplish the measurement of gas and transfer of data without the use of charts or other paper Recordings.

1.19 "Gas Day": A period of 24 consecutive hours beginning at 9:00 a.m. Central Clock Time, and the date at the Gas Day shall be that of its beginning.

1.20 "General Terms and Conditions": The currently effective General Terms and Conditions set forth in Volume No. 1 of this Tariff.

1.21 "Heating Value": The gross heating value on a dry basis, which is the number Btus produced by complete combustion at a constant pressure of the amount of dry gas (gas containing no water vapor) that would occupy a volume of one cubic foot at 14.73 psia and 60°F with air at the same temperature and pressure as the gas, the products of combustion being cooled to the initial temperature of the gas and air, and the water formed by combustion condensed to the liquid state.

1.22 "Injection Season": The period beginning April 16 of any calendar year and extending through the succeeding December 14.

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1.23 "Interconnecting Operator": The entity with physical control of gas either upstream or downstream of Operator's facilities.

1.24 "Intra-day Nomination": A nomination submitted after the nomination deadline where effective time is no earlier than the beginning of the Gas Day and runs through the end of that Gas Day.

1.25 "Liquefied Gas Balance": The quantity of LNG available at any point in time for Buyer's account at such time under Rate Schedules FPS-1, FPS-2 or FPS-3.

1.26 "Liquefied Natural Gas" and "LNG": Natural gas in a liquid state at or below its point of boiling and at or near atmospheric pressure.

1.27 "Master List of Interconnections" or "MLI": The list of interconnections including Receipt Points and Delivery Points with third parties available for services provided by Operator under this Tariff as maintained on the Operator's EBB on an on-going basis.

1.28 "Maximum Contract Peaking Quantity" and "MCPQ": The aggregate quantity of Natural Gas or LNG that Operator has contracted to deliver to Buyer at any point in time pursuant to the terms and conditions of Rate Schedules FPS-1, FPS-2 or FPS-3.

1.29 "Maximum Daily Peaking Quantity" and "MDPQ": The maximum daily quantity of Natural Gas that Operator has contracted to deliver to Buyer under a firm peaking service Rate Schedule, which quantity shall be equal to: one-tenth (1/10) of Buyer's MCPQ for service under Rate Schedule FPS-1; one fifth (1/5) of Buyer's MCPQ for service under Rate Schedule FPS-2; and one-third (1/3) of Buyer's MCPQ for service under Rate Schedule FPS-3.

1.30 "Month": The period beginning on the first Gas Day of a calendar month and ending on the first Gas Day of the next succeeding calendar month.

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1.31 "Natural Gas": Any saturated hydrocarbon or mixture of saturated hydrocarbons consisting essentially of methane and other combustible and non-combustible gases in a gaseous state.

1.32 "Natural Gas Act": 15 U.S.C. 717-717w as may be amended from time to time.

1.33 "OBA": Operation Balancing Agreement between two parties that specifies the procedure for managing operating variances at an interconnect.

1.34 "Operator": Cove Point LNG Limited Partnership.

1.35 "Receipt Point(s)": The point(s) where Operator has agreed in the Service Agreement to take delivery into its own facilities of Natural Gas or LNG for the account of Buyer.

1.36 "Regasified LNG": LNG which has been converted from its liquid state to a gaseous state by virtue of natural boiling or a mechanical vaporization process.

1.37 "Retainage": The quantity of Natural Gas or LNG that Buyer shall provide and Operator shall retain from quantities of Natural Gas or LNG received by Operator from Buyer under all Rate Schedules as described below. The standard fuel calculation using the retainage (fuel) percentage shall be  $(1 - \text{retainage percentage}/100)$  multiplied by receipt quantity shall equal delivery quantity. The Retainage under Section 4 of Rate Schedules FPS-1, FPS-2 and FPS-3 shall be assessed as a percentage of the total quantities of Natural Gas or LNG received from all Buyers under such Rate Schedules for fuel used in plant operations (including fuel for liquefaction) and lost and unaccounted for quantities, except for the fuel used, if any, and lost and unaccounted for quantities in the transportation of Natural Gas under Rate Schedules FTS and ITS. The Retainage under Section 5(h) (Storage Turnover) of Rate Schedules FPS-1, FPS-2 and FPS-3, if applicable, shall be assessed as a percentage of Buyer's Liquefied Gas Balance on April 16 for fuel used in plant operations and lost and unaccounted for quantities, except for (i) fuel used in the liquefaction of Natural Gas and (ii) fuel used, if any, and lost and unaccounted for quantities in the transportation of Natural Gas under Rate Schedules FTS and ITS. The Retainage under Rate Schedules FTS and ITS for fuel used, if any, and lost and unaccounted for quantities shall be a percentage of the total quantities of Natural Gas received from Buyers under such Rate Schedules. The Retainage collected during each Contract Year under Section 4 of Rate Schedules FPS-1, FPS-2 and FPS-3 shall not exceed twenty and one-half percent (20.5%) of Buyer's deliveries during the Contract Year and, as applicable under Section 5(h) of Rate Schedules FPS-1, FPS-2 and FPS-3, twenty and one-half percent (20.5%) of Buyer's Liquefied Gas Balance on April 16. The Retainage percentages shall be established initially by Operator based upon Operator's best estimate of anticipated operating requirements. GISB Standard 1.3.28 provides that: "For current in-kind fuel reimbursement procedures, fuel rates shall be made effective only at the beginning of the month." Accordingly, Operator shall adjust the Retainage percentages annually by filing with the Commission on or before March 1 to become effective April 1 or, if operating or other conditions require, at such other times as Operator in its reasonable discretion determines an adjustment is required to prevent excessive over or under recovery of Retainage, such adjustment to become effective on the first day of the month occurring no earlier than thirty (30) days after filing. Each Retainage filing shall establish revised percentages based upon Operator's estimate of operating requirements for the succeeding twelve (12) month period, as adjusted for quantities retained either over or under actual quantities required by Operator during the preceding twelve (12) months and within

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the limits of Rate Schedules FPS-1, FPS-2 and FPS-3 set forth above. Upon termination of service under each firm Rate Schedule, Buyer shall deliver to Operator at Buyer's Receipt Point, Buyer's pro rata share of under-recovered Retainage quantities from the effective date of Operator's most recent adjustment filing through the date of termination or, as the case may be, Operator shall provide Buyer at Buyer's Delivery Point, Buyer's pro rata share of any excess quantities retained by Operator from the effective date of Operator's most recent adjustment filing through the date of termination. Operator's currently effective Retainage percentages shall be posted on Operator's EBB.

1.38 "Service Agreement": The agreement between Buyer and Operator for service provided under a Rate Schedule in this Tariff.

1.39 "Withdrawal Season": The period beginning December 15 of any calendar year and extending through the succeeding April 15.

## 2. Electronic Bulletin Board

(a) In General. Operator shall operate and make available to Buyers and other third parties, as set forth below, an electronic communications system ("Electronic Bulletin Board" or "EBB") which will comply with the electronic communication standards set forth in Section 284.10 of the Commission's Regulations. All Buyers of service under any of Operator's Rate Schedules shall have the capability to make use of Operator's EBB as required by this Tariff. Operator shall make the EBB available on a nondiscriminatory basis to any party with compatible electronic equipment. All Buyers and parties making use of Operator's EBB shall be bound by and comply with the procedures governing its use as established by Operator from time to time.

(b) Operation. The EBB will provide, among other things, (i) a search function for locating information relating to specific transactions, and (ii) a menu that will enable parties to separately access notices of available capacity, records of each transaction entered in the applicable log, and standards of conduct. Operator will permit parties to download files from the EBB system so the contents can be reviewed in detail without tying up access to the system. Operator will create and maintain archived back-up records of the information displayed on the EBB for no less than three years, and will permit parties reasonable access to those records. Operator will, however, periodically purge from current files archived information regarding completed transactions. Information that has been purged from the EBB system will be archived and will, for at least three (3) years, be available in hard copy for inspection by appointment during regular business hours at Operator's principal place of business.

(c) Communications. The EBB shall be used to communicate Buyer's initial and revised Natural Gas nominations, confirmations of Buyer's nominations, and other data or notices required by this Tariff. After notice by Operator, the following types of communication may be permitted: notices not currently required to be given through the EBB, service agreements and amendments, and such other communications as the parties may agree in writing. Where electronic communications are required by this Tariff, Operator may waive the requirements and accept such communications in another acceptable format on a nondiscriminatory

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basis.

(d) Information Available. The EBB will permit parties to obtain (1) Information concerning the availability of capacity for peaking and transportation services, and whether the capacity is available directly from Operator or through Buyer's capacity release.

(2) A listing of Receipt Points and Delivery Points on Operator's system (the "Master List of Interconnections" or "MLI"), including the following information: (1) designation of Receipt/Delivery Point; (ii) location of Receipt/Delivery Point; (iii) delivery point operator's name and phone number; (iv) total firm capacity subscribed at the point; and (v) whether the point is measured by Operator or a third party or is subject to a Predetermined Allocation Method ("PDA").

(3) The party's Liquefied Gas Balance under Rate Schedules FPS-1, FPS-2 and FPS-3.

(4) Operator's currently effective FERC Gas Tariff; and policies and data logs required under 18 CFR Section 161.

(e) Limitation. The EBB shall be employed by Buyers and other parties for uses identified in this Section and elsewhere in this Tariff. All other types of communications should be transmitted by the means otherwise prescribed in the tariff.

### 3. Requests for Service

(a) Request for Service Form. Requests for new or increased levels of service under any of Operator's Rate Schedules, or for amended Service Agreements reflecting changes other than in quantities, shall be made by fully completing a Request for Service Form in the form included in this Tariff. The completed Request shall be sent to Operator by methods of delivery approved by Operator.

(b) In General. To make a valid request for service, a party seeking service from Operator (Requestor) shall submit, in addition to a completed Request for Service Form, the data required by Paragraph (c) below. Operator may, however, waive the requirements of all or any part of Paragraph (c). A Requestor that is an existing Buyer on Operator's system shall not be required to provide the information required by Paragraph (c) in order to make a new request for service, provided, however, that Operator may require an existing Buyer to furnish any information necessary to make a creditworthiness determination with respect to that Buyer/Requestor's new request for service. A request for service shall not be valid until Operator has received from Requestor a completed Request for Service Form and, unless waived by Operator or not required under the provisions of this Section, all of the information required or requested under Paragraph (c) below.

(c) Credit Data. Except as provided in Section (b) above, Requestor shall submit with its completed Request for Service Form the following credit evaluation data:

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(i) a copy of Requestor's current financial statement prepared within the twelve months preceding the date of the request for service;

(ii) a copy of Requestor's most recent Annual Report and, if applicable, most recent Forms 10-Q and 10-K; provided that if Requestor has no Annual Report or Forms 10-Q or 10-K it must provide its most recent audited financial statement and financial report, any current filings with other regulatory agencies that discuss Requestor's financial condition, and a detailed business description that includes Requestor's corporate form, the number of years or months it has been in business, the nature of its business, and the number of its employees;

(iii) a list of Requestor's affiliates, including any parent and subsidiary companies;

(iv) the names, addresses and telephone numbers of three trade references with whom Operator may make reasonable inquiry into Requestor's creditworthiness, and copies of any available reports from credit reporting and bond rating agencies;

(v) names, addresses, and telephone numbers of bank references;

(vi) disclosure of past or pending bankruptcy or other similar state or federal proceedings, outstanding judgments or pending claims or lawsuits that could affect the solvency of Requestor; and

(vii) any other data Buyer desires to submit that would assist Operator in determining creditworthiness.

In lieu of submitting all or any part of the data required by this Section (c), a Requestor that has submitted such data to Operator within the past twelve (12) months may certify that all or any part of such data has not changed in any manner material to creditworthiness and may update items that have materially changed.

(d) Advance Determinations. A prospective Buyer, or existing Buyer may submit the data required in this Section 3 for an advance determination of creditworthiness by Operator prior to bidding for or requesting new or increased service.

(e) Deficient Requests. Operator shall promptly notify a Requestor whose request is deficient. Such notice shall identify the deficiencies that must be corrected in order to make a valid request to Operator. If the deficient information is supplied within fifteen (15) days, then the Request shall be considered complete as originally filed.

(f) Material Changes. If any information provided by Requestor pursuant to this Section materially changes, Requestor shall provide Operator with prompt written notification of such changes.

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(g) Denial of Requests. Operator may reject any request for service from a Requestor that is a prospective Buyer, or an existing Buyer seeking new or increased service levels, that fails to meet Operator's creditworthiness requirements unless Buyer provides assurance of payment as provided in Paragraph (h) below. Grounds for rejection shall include, but shall not be limited to, Requestor's failure (a) to show that Requestor's obligations are being paid in a timely manner, or (b) to provide reasonable assurance that Requestor will be able to continue to pay its obligations in the future.

(h) Assurance of Payment. If Operator denies a request for service due to a failure to satisfy Operator's creditworthiness requirements, Requestor may obtain service if it provides Operator with assurance of payment as set forth below:

(1) In the event Operator must construct or recommission facilities to render service to a Buyer pursuant to the Tariff. Operator shall accept as assurance of payment any of the following:

(i) advance payment covering the Reservation and estimated Commodity Charges for a period of time as agreed to by Operator and Buyer;

(ii) an irrevocable letter of credit from a creditworthy financial institution in an amount agreed to by Buyer and Operator;

(iii) a guarantee from a creditworthy institution;

(iv) a surety bond from an acceptable, creditworthy insurance company in an amount agreed to by Buyer and Operator;

(2) In the event service is to be rendered using Operator's existing, operational facilities, assurance of payment shall be deemed satisfied when Buyer complies with Section 6(d)(ii) of the General Terms and Conditions and otherwise complies with the ongoing creditworthiness requirements set forth in Section 6(d).

(3) If Requestor fails to tender such assurance of payment within ten (10) days, or such longer time period reasonably established by Operator, Operator may deny Requestor's request for service.

(4) Nothing contained in this Section 3(h) shall obligate Operator to construct facilities in order to render service.

(i) Execution of Service Agreement. Following the approval of a request for service and the award of capacity by Operator, Operator shall tender to Requestor a new or amended Service Agreement under each appropriate Rate Schedule. If Requestor fails to execute such Service Agreement within ten (10) days after Operator tenders it to Requestor, or within such other time period agreed to by Operator, Requestor's request for service shall be void. Service shall not commence until Requestor returns an executed Service Agreement to Operator. Operator may waive the provisions of this subsection on a nondiscriminatory basis.

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(j) Record Retention. Operator shall maintain records of all valid requests for service and their disposition for a period of three (3) years from the date of receipt of those requests. Operator shall not disclose such information, including information relating to bids for service other than pursuant to the provisions of this Tariff, a Commission proceeding or valid court order.

#### 4. Bidding for Available Firm Service

(a) EBB Posting Procedure. As capacity becomes available on Operator's system for firm services, such capacity shall be posted by Operator on its EBB for a period of thirty (30) days. Operator's posting shall include the following information regarding the available capacity: (i) daily and other applicable quantity of service available; (ii) receipt and delivery points; (iii) term (up to a maximum primary term of twenty (20) years with extensions from year to year thereafter unless canceled by either party by providing six (6) months prior notice to the other party); (iv) maximum effective Reservation charge as set forth in the Currently Effective Rate Sheets of this Tariff; (v) the minimum Effective Reservation charge as set forth in the Currently Effective Rate Sheets of this Tariff (including any adjustments thereto) as provided under the applicable Rate Schedule; (vi) any other applicable charges or surcharges; (vii) any applicable restrictions; and (viii) the date when bids are due to Operator. Operator shall not impose a minimum rate for purposes of bidding for available firm service. The due date set by Operator for bids shall be at least thirty (30) days and no more than forty-five (45) days after the first posting date.

(b) Bidding Procedure. Potential Buyers may submit one bid for all or any portion of the capacity or term of service made available by Operator. A Bidder shall submit its bid electronically through Operator's EBB, specifying the monthly reservation charge (or other firm or demand charge(s), if applicable, herein referred to collectively as the "Reservation Charge") it is bidding for the service. Bidder also shall provide to Operator a valid request for service fully complying with Section 3 (Requests for Service) of the General Terms and Conditions. The price bid for the monthly Reservation Charge shall be expressed per Dth and shall be expressed to the nearest thousandth of one dollar (\$0.000). Bids for service shall not exceed the then effective Maximum Base Reservation Charge for the applicable service set forth in this Tariff. In addition to the bid price, Bidders shall pay all applicable commodity charges, demand and commodity surcharges and any other applicable charges, as they may be adjusted from time to time by Operator. Operator shall have the right to reject any bids, on a non-discriminatory basis, that: (i) are for a rate that is less than the maximum Reservation Charge or not above the minimum Reservation Charge as set forth in the Currently Effective Rate Sheets of this Tariff for service under Operator's applicable Rate Schedule; or (ii) include conditions or provisions that impede Operator's ability to operate its system in conformity with the provisions of this Tariff.

(c) Assessing Bids and Awarding Capacity. Operator shall evaluate bids based upon their net present value as set forth below, taking into account the price and primary term offered. Operator shall use the current Commission-approved interest rate in calculating the net present value of bids.

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Capacity shall be awarded based on the acceptable highest value of the bids offered to Operator calculated in accordance with this Section. Operator shall post the winning bids on its EBB.

(d) Pro Rata Awards to Equal Bidders. If two or more bidders, including the current holder of the capacity subject to bid, submit acceptable highest value bids of equal value, as calculated pursuant to paragraph (c) above, Operator shall award the capacity first to the current holder of the capacity. If the current holder of the capacity (i) is not among the bidders submitting equivalent highest value bids, (ii) does not require all of the capacity subject to bid; or (iii) fails to execute a Service Agreement after being awarded the capacity, any available capacity shall be awarded on a pro rata basis to all bidders that submitted equivalent highest value bids.

(e) Adjustment to Bid Rate. When the rate bid by a Bidder for service is at the Maximum Base Reservation Charge for service under the applicable Rate Schedule, that bid rate shall be subject to adjustment in accordance with the provisions of this Tariff and shall be no more than the currently effective rate specified on the Currently Effective Rates sheet of this Tariff.

(f) Short-Term Firm Service Agreements. Upon the termination of any firm Service Agreement having a term of less than one year, the capacity associated with such terminated Service Agreement shall be made available for bidding under the procedures described in this Section 4, provided that: (i) the capacity is not previously committed under the terms of this Tariff; and (ii) facility capacity remains available.

(g) Long-Term Service Agreements/Right of First Refusal. If Buyer's long-term Service Agreement does not extend according to its terms, Buyer may continue service upon termination of that Service Agreement by (i) agreeing to match the highest value bid offered to Operator for Buyer's firm service, or any portion thereof, through the bidding process described in this Section 4; and (ii) executing a new Service Agreement incorporating the new rate and term. If Buyer intends to exercise its right of first refusal as described herein, Buyer shall notify Operator through Operator's EBB or facsimile transmission of that intent not less than ninety (90) days before the termination date of its Service Agreement.

(i) In the event that Buyer provides Operator with a 90-day notice of intent to exercise its right of first refusal, Operator shall promptly post on its EBB the information described in Paragraph (a). Not later than sixty (60) days prior to the termination of such Service Agreement, and for thirty (30) days thereafter, Operator shall begin accepting bids from any prospective Buyer, including prospective Buyers that already have submitted requests for service for all or a portion of the service rights under the existing Buyer's long-term Service Agreement.

(ii) If Operator receives an offer for all or a portion of the service rights under Buyer's long-term Service Agreement, Operator, within five (5) days after the last day for receiving offers, shall notify Buyer through the EBB of the offer having the greatest economic value to Operator. For purposes of comparing

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the respective values of offers under this section, Operator shall evaluate all bids in accordance with the criteria set forth above. If Buyer elects to match the offer, Buyer shall notify Operator of such election through the EBB within fifteen (15) days after receiving Operator's notice and shall execute a new Service Agreement matching the offer prior to the termination of the existing long-term Service Agreement. If no offers are received, Buyer may continue to receive service on a month-to-month basis or for such other term agreed to by Operator and Buyer, and at the maximum rate set forth in the applicable Rate Schedule.

(h) Termination of Long-Term Firm Service Agreements. If a long-term Service Agreement is not continued by its own terms or by reason of the Buyer's exercise of its right of first refusal, such long-term Service Agreement shall be subject to pregranted abandonment unless otherwise specified in the Service Agreement and shall terminate as specified therein and Operator shall have no further obligation to Buyer.

(i) New Long-Term Firm Service Agreements. If a new long-term Service Agreement is executed pursuant to this Section, such Service Agreement shall be subject to pregranted abandonment unless otherwise specified therein.

#### 5. Service Agreement

(a) Form of Service Agreement. Buyer shall enter into a contract with Operator under Operator's applicable standard Form of Service Agreement prior to receiving service from Operator under any Rate Schedule. Buyers with new levels of service shall execute a new Appendix to their Service Agreements indicating the new level of service.

(b) Term. The period of time covered by the Service Agreement (exclusive of Assignments as provided under this Tariff) shall be determined by (i) agreement between the parties, or (ii) the procedures set forth in Section 4, Bidding for Available Firm Service, but shall not exceed a primary term of twenty (20) years and extensions from year to year thereafter unless canceled by either party by providing six (6) months prior notice to the other party. Where the Service Agreement supersedes or cancels an existing Service Agreement, however, Operator may require that the term of the Service Agreement shall be not less than the unexpired portion of the term contained in the Service Agreement to be superseded or canceled.

(c) Quantity Obligations and Requirements. The quantities of gas to be transported, injected, withdrawn or stored by Operator shall be set forth in the applicable Service Agreement.

(d) Successors and Assigns. Any company that succeeds by purchase, merger, or consolidation to the assets of Operator or of Buyer substantially or in its entirety, shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under the Service Agreement. Buyer, Operator, and their successors, may assign or pledge the Service Agreement under the provisions

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of any mortgage, deed of trust, indenture or similar instrument that it has executed or may execute hereafter. Otherwise no party shall assign the Service Agreement or any of its rights thereunder unless it first shall have obtained in writing the consent thereto of the other party; provided however, that Buyer under Rate Schedules FPS-1, FPS-2, FPS-3, and FTS may release and assign service rights contracted for under such Service Agreement pursuant to Section 10 (Release and Assignment of Service Rights) of this General Terms and Conditions.

(e) Waiver of default. No waiver by either party of any one or more defaults by the other in the performance of any provisions of the Service Agreement shall operate or be construed as a waiver of any future default or defaults, whether of a like or different character.

(f) Choice of Law. Unless otherwise specifically stated in the Service Agreement, interpretation of the provisions of all Service Agreements or other agreements entered into between Buyer and Operator, including any provisions of this Tariff related to such agreements and any disputes arising from such agreements, shall be governed by the law of the State of Delaware.

#### 6. Operating Conditions.

(a) In General. The general operating conditions set forth in this Section supplement the terms and conditions set forth in the individual Rate Schedules and elsewhere in the General Terms and Conditions.

(b) Nominations and Scheduling.

(1) Except for events solely within Operator's control, the primary obligation and burden of responsibility to monitor, control, adjust and maintain a concurrent balance between tenders and takes of Natural Gas shall rest with Buyer. Operator neither assumes any responsibility nor any obligation to monitor or adjust Buyer's tenders or takes by the provisions of this Section.

(2) All notices or other communications from Buyer to Operator pursuant to the requirements of this Section, unless otherwise provided for in this Tariff, shall be submitted electronically through Operator's EBB or through EDI. The date and time of all such notices or other communications from Buyer to Operator under this Section shall be deemed to be the date and time those notices or communications are received by Operator, unless otherwise specified.

(3) Operator will post to Operator's EBB a telephone number to be used after normal business hours to assist Buyers having scheduling or confirmation problems.

(4) The sending party shall adhere to nomination, confirmation, and scheduling deadlines. It is the party receiving the request who has the right to waive the deadlines.

(5) Nominations.

(i) Quantities of gas nominated and capacity awarded will be made effective at the time designated on the nomination provided Buyer adheres to the nomination time line prescribed in Section 6(b)(5)(v) and supplies can be confirmed pursuant to Section 6(b)(6) of the General Terms and Conditions.

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**Sub. First Revised Sheet No. 107A** Sub. First Revised Sheet No. 107A : Effective  
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(ii) A Buyer seeking to nominate quantities under any applicable Service Agreement shall furnish to Operator, for each such Service Agreement (i) a Daily Delivery Quantity to be delivered by Operator to or for Buyer at the applicable delivery point(s) on Operator's pipeline system, and (ii) a Daily Receipt Quantity to be tendered to Operator at each applicable receipt point on Operator's pipeline system. Retainage shall be included in the Nominated Daily Receipt Quantity, and will be calculated by using the following formula:  $(1 - \text{retainage \%}/100) \times \text{receipt quantity}$  rounded to the nearest dth = delivery quantity. Buyer's Nominated Daily Delivery Quantity and Nominated Daily Receipt Quantity collectively are referred to as Buyer's "nominations".

(iii) Quantities shall be nominated in dekatherm units and represent the total requested quantity for the Gas Day.

(iv) Each nomination shall be considered an original nomination and shall remain in effect until changed. When a nomination includes a date range, each day within that range is considered an original nomination. When a subsequent nomination is received for one or more days within that range, the previous nomination is superseded by the subsequent nomination only to the extent of the days specified. The days of the previous nomination outside the range are unaffected. Nominations have a prospective effect only. Subsequent nominated quantities shall represent replacement daily quantities.

(v) THE TIMELY NOMINATION CYCLE (in Central Time on the day prior to gas flow)

11:30 a.m.	Nomination leaves control of the Buyer
11:45 a.m.	Receipt of nomination by Operator
12:00 p.m.	Operator provides quick response for validity of data elements
3:30 p.m.	Completed confirmations from upstream and downstream connected parties
4:00 p.m.	Scheduled quantities provided by Operator for receipt by Buyer and point operator

THE EVENING NOMINATION CYCLE (in Central Time on the day prior to gas flow)

6:00 p.m.	Nomination leaves control of the Buyer
6:15 p.m.	Receipt of nomination by Operator
6:30 p.m.	Operator provides quick response for validity of data elements
9:00 p.m.	Completed confirmations from upstream and downstream connected parties
10:00 p.m.	Scheduled quantities provided by Operator to affected Buyers, point operators and bumped parties (notice to bumped parties). Scheduled quantities resulting from Evening Nomination Cycle shall be effective at 9:00 a.m. (C.T.) on Gas Day.

THE INTRA-DAY 1 NOMINATION CYCLE (in Central Time on the day of gas flow)

10:00 a.m.	Nomination leaves control of the Buyer
10:15 a.m.	Receipt of nomination by Operator
10:30 p.m.	Operator provides quick response for validity of data elements
1:00 p.m.	Completed confirmations from upstream and downstream connected parties
2:00 p.m.	Scheduled quantities provided by Operator to affected Buyers, point operators and bumped parties (notice to bumped parties). Scheduled

quantities

from Intra-Day 1 Nominations shall be effective at 5:00 p.m. (C.T.) on Gas

Day.

THE INTRA-DAY 2 NOMINATION CYCLE (in Central Time on gas day)

5:00 p.m.	Nomination leaves control of the Buyer
5:15 p.m.	Receipt of nominations by Operator
5:30 p.m.	Operator provides quick respons for validity of data elements
8:00 p.m.	Completed confirmations from upstream and downstream connected parties
9:00 p.m.	Scheduled quantities provided by Operator to affected Buyers and point operators (on Gas Day). Scheduled quantities resulting from Intra-day 2 Nominations shall be effective at 9:00 p.m. (C.T.) on Gas Day. Bumping is not allowed during the Intra-day 2 Nomination Cycle.

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In addition to notice of bumping being provided through the scheduling process, Operator shall notify Buyer of bumping by telephone, facsimile, and EBB communication to Buyer's representative. GISB Standards 1.3.2 (v) and (vi) are incorporated herein by reference.

(vi) Buyer shall have the option to either submit overrun quantities (nominations under firm contracts in excess of its MDQ) as a separate nomination or within the aggregate sum of all nominations. When nominations for overrun quantities are submitted as a separate transaction, they must be identified as such by using the appropriate nomination transaction type.

(vii) Except for intra-day nominations, Buyer may nominate for several days, months or years in one day increments provided such nomination is within the begin and end dates of Buyer's Service Agreement.

(viii) In addition to the Evening Nomination Cycle, Intra-day 1 Nomination Cycle, Intra-day 2 Nomination Cycle, described in Section 6(b)(5)(v), Buyer may nominate intra-day changes to its daily nominations at any time up to 5:00 p.m. (C.T.), to be effective any hour, but no less than four hours after the time the nomination is submitted.

(ix) Evening Nomination Cycle, Intra-day 1 Nomination Cycle and Intra-day 2 Nomination Cycle, as described above in Section 6(b)(5)(v), and any other intra-day nominations, as described above in Section 6(b)(5)(viii), may be used to request increases or decreases in total flow, changes to receipt points, and changes to delivery points of scheduled gas. Such changes shall be effective for the remainder of the day. Operator, on a nondiscriminatory basis, may confirm such changes to commence at earlier times than specified in Section 6(b)(5)(v) and 6(b)(5)(viii) of Operator's system operations permit and if such changes do not result in any bumping of scheduled and/or flowing quantities. Operator may, through postings on its EBB, provide for additional time periods for making intra-day changes in nominations.

Buyer may make nomination changes, as described in Sections 6(b)(5)(viii) only if the following requirements and conditions are satisfied:

(1) actual flows consistent with the requested nominations are confirmed at the receipt and delivery points;

(2) Buyer's tenders or takes (i) during any 8-hour period may not exceed 40% of Buyer's Maximum Daily Quantity, and (ii) during any 24-hour period do not exceed Buyer's Maximum Daily Quantity, provided that all deliveries do not exceed the applicable maximum hourly limitations specified in any applicable rate schedule;

(3) Buyer's revised nominations during a Day under no circumstances fall below the confirmed quantities that Day up to the effective time of the revised nominations;

(4) Bumping of scheduled and/or flowing quantities by an intraday nomination may occur: (a) for a nomination submitted before 6:00 p.m., (C.T.), with notice to be provided to bumped parties by 10:00 p.m. (C.T.) on the day prior to flow, with scheduled quantities effective at 9:00 a.m. (C.T.) on Gas Day; and (b) for a nomination submitted before 10:00 a.m. (C.T.), with notice to be provided to bumped parties by 2:00 p.m. (C.T.), with scheduled quantities effective at 5:00 p.m. on Gas Day.

(5) During any Day of Interruption pursuant to Section 16 (Interruption of Service), a Buyer may make intra-day changes to receive or take gas at Buyer's primary receipt or delivery point if such change would cause interruption of a Buyer using that receipt or delivery point as a secondary point during that Day.

(x) Buyers shall cause, by whatever means necessary, the Interconnecting operator of each point of receipt and each point of delivery designated in any nomination or change in nomination submitted by Buyer to confirm all such nominations or changes in nominations in accordance with the time lines specified in Section 6(b)(6) and also to comply with GISB standard confirmation data sets.

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(x) Operator shall electronically on its EBB make available to Buyer on a daily basis Buyer's imbalance status or information from which Buyer can determine its imbalance status. Such daily electronic updates by Operator shall be based upon the data available to Operator at that time, and shall constitute notice to Buyer for purposes of the application of imbalance penalties, as set forth in Section 12 (Penalties) of the General Terms and Conditions and elsewhere in this Tariff. To avoid the imbalance penalties described in this Tariff, Buyer shall eliminate imbalances in its account as soon as possible but in no event later than the last day of the Month in which such notice is received.

(6) Confirmation and Scheduling by Operator

(i) No gas shall flow under any nomination until Operator has confirmed the nomination, awarded capacity, and scheduled the applicable quantities. In the event Buyer's gas is not confirmed, Operator shall hold interruptible capacity for a 48-hour period, but shall have no obligation to deliver such unconfirmed gas to Buyer during the 48-hour period.

(ii) Operator shall initiate confirmation ("Request for Confirmation") with interconnecting operator or respond ("Confirmation Response") to request for confirmation from interconnecting operator. Operator shall complete confirmation by 3:30 p.m. central clock time (C.T.), 4:30 p.m. eastern clock time (E.T.), the day prior to the nomination begin date.

(iii) Operator shall make available to Buyers their scheduled quantities no later than 4:30 p.m. central clock time (C.T.), the day prior to the nomination begin date. Furthermore, Operator shall make available to Buyers their scheduled quantities at the end of the gas day. Scheduled quantities made available via Operator's EBB or if requested shall be made available using GISB standard data sets. Scheduled quantities for intra-day nomination changes shall only be made available at the end of the Gas Day.

(iv) Where discrepancies in quantities exist between confirming parties, the confirmed quantity shall be the lesser of the nominated quantity (inclusive of any reductions related to capacity allocation) or the confirmed quantity. Where no communication is received, the lesser of the nomination or the previously scheduled quantity applies. No intra-day nomination changes, including reductions, shall become effective unless the changes are confirmed.

(v) When a Buyer has more than one receipt point or more than one delivery point, such Buyer shall specify in its nomination the supply reduction priorities and delivery reduction priorities ("Priority Reduction List") to be utilized at the receipt points or delivery points in the event of a loss of volume at the receipt points or delivery points.

(vi) If only partial confirmations are received by Seller from the upstream and downstream entities delivering or receiving gas on behalf of Buyer, Buyer's nominations shall be reduced in accordance with the priorities set forth on the Receipt and Delivery Rankings furnished by Buyer.

(vii) If gas is not scheduled and flowing within 48 hours after Operator notifies a Buyer of interruptible service that it has been unable to confirm all or any part of nominated gas supplies, Operator shall allocate such capacity to other Buyers.

(viii) If after Buyer's gas is confirmed, Operator is notified that Buyer's gas is not available, then Operator may cease deliveries. However, Operator shall hold such interruptible capacity for Buyer for 48 hours before allocating such capacity to other Buyers.

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(7) Buyer's Notice of Changes. Except for reasons of force majeure, as described at Section 14 (Force Majeure) of the General Terms and Conditions, Buyer shall notify Operator or cause Operator to be notified at least 24 hours in advance of any anticipated material change in the daily quantity of gas Buyer desires to deliver or to cause to be delivered to Operator for transportation under Operator's Rate Schedules. If an unanticipated or a force majeure event causes a material change in the quantity of gas Buyer will deliver or cause to be delivered to Operator for transportation, Buyer shall notify or cause Operator to be notified as soon as possible after occurrence of that event. In the event of such material changes, Buyer shall tender or cause to be tendered to Operator such estimated daily quantities at flow rates as close as possible to uniform hourly rates. Departures by Buyer from the daily quantities that it has notified Operator it intends to tender to Operator under a Rate Schedule shall be kept to a minimum and in no event shall exceed the amount permitted by operating conditions.

(8) Scheduling Under Individual Rate Schedules. To the extent that individual Rate Schedules set forth nomination scheduling requirements inconsistent with the requirements set forth in this Section, the applicable Rate Schedules are controlling and Buyer shall satisfy the requirements set forth in those Rate Schedules. To the extent that applicable Rate Schedules set forth scheduling requirements in addition to, but not inconsistent with, the provisions of this Section, Buyer shall satisfy the requirements of both the individual Rate Schedules and this Section.

(c) Third Party Arrangements. Buyer shall be responsible for making all necessary arrangements with third parties (i) at or upstream of the Receipt Points at which Buyer tenders gas to Operator for transportation services, and (ii) downstream of Delivery Points at which Operator delivers gas for the account of Buyer. Buyer shall be responsible for (i) insuring that any such arrangements are consistent with the terms and conditions of the applicable Rate Schedule under which it seeks to have Operator provide services, and (ii) requiring such third parties to confirm all of Buyer's nominations with Operator by telephone, by facsimile transmission or other means acceptable to Operator and such other third party. Such third-party arrangements shall be coordinated with Operator.

(d) Service Obligation. Operator shall not be required to perform any newly requested service under any of its Rate Schedules if any of the facilities necessary to render the requested service do not exist. In addition, Operator shall not be required to undertake new services under any of its existing Rate Schedules during periods in which facilities are scheduled for maintenance or repair or for other existing conditions identified in Section 16 (Interruptions of Service) of this General Terms and Conditions. Operator shall not be required to construct or reactivate facilities; provided, however, that Buyer may request construction of facilities under the provisions of Section 20 (Construction of Facilities) of the General Terms and Conditions.

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(e) Creditworthiness of Buyer.

(i) Subject to the provisions of subsections (ii) and (iii) below, Operator shall not be required to perform or to continue to perform service on behalf of any Buyer that (i) is or has become insolvent, (ii) has applied for bankruptcy under Chapter 11 of the Bankruptcy Code or is subject to similar proceedings under State or Federal Law, or (iii) fails, in Operator's reasonable judgment, to demonstrate minimal creditworthiness for all or any part of the service requested, based upon Operator's consideration of available credit data concerning Buyer and Buyer's past payment history, financial statements, and credit reports. Operator shall apply nondiscriminatory evaluation practices to determine the acceptability of Buyer's overall financial condition.

(ii) Operator may require assurance of payment for any service under this Tariff requested by an insolvent or uncreditworthy Buyer. Such a Buyer may receive or continue to receive service if it provides adequate assurance of payment for service within fifteen (15) days after the date of written demand by Operator. Adequate assurance of payment may include:

(1) a deposit with Operator of an amount equal to two (2) months of Reservation and estimated Commodity charges for the service, as set forth in the applicable Service Agreement, provided that such deposit may be applied by Operator to satisfy a delinquent account;

(2) advance payment for service at the time service is scheduled;

(3) an irrevocable letter of credit from a creditworthy financial institution;

(4) a guarantee from a creditworthy entity; or

(5) a surety bond from an acceptable, creditworthy insurance company.

(iii) Operator may at any time re-evaluate the creditworthiness of Buyer and demand adequate assurances of payment if Operator determines that Buyer has in any respect become uncreditworthy. Circumstances under which Operator may re-evaluate Buyer's creditworthiness include, but are not limited to, a filing by Buyer for bankruptcy or a submission to bankruptcy or similar federal or state proceedings, an adverse change in Buyer's payment practices, or a reorganization of Buyer's business structure. If Operator, following such a re-evaluation, makes an adverse preliminary creditworthiness determination, and Buyer is current in its payments to Operator and otherwise has a good credit history with Operator, Buyer will be given notice of such adverse determination and be allowed ten (10) days to submit data demonstrating its continued creditworthiness before Operator will make a final determination of creditworthiness and, if adverse, demand adequate assurance of payment. Operator may at any time withdraw or revise its demand for adequate assurance of payment or extend its due date.

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(f) General Limitation of Operator's Obligation. Operator shall not be required to perform or continue service on behalf of any Buyer that, within ten (10) days after receipt of notice from Operator, fails to comply with any of the terms of the applicable Rate Schedule and Buyer's Service Agreement with Operator when such failure is material or may threaten the operational integrity, safety, or continued performance by Operator of services under this Tariff. If Buyer submits a complaint, as provided in Section 22 (Complaint Resolution Procedure) of the General Terms and Conditions, prior to the end of the 10-day period and the subject matter of the complaint is the provision of the Rate Schedule or Service Agreement on which the Operator has based its notice, Operator shall continue service for Buyer for a period of at least ten (10) days after Operator's Final Decision under the Complaint Resolution Procedures. Notwithstanding the foregoing, Operator shall have the right to take unilateral action to protect the integrity of its system in the event Operator, in its reasonable discretion, determines that immediate or irreparable harm to Operator's facilities or operations will be caused by Buyer's failure to comply with any of the terms of the applicable Rate Schedule, the terms of Buyer's Service Agreement with Operator, or the General Terms and Conditions of this Tariff.

(g) Balancing at Termination of Service Agreement. Following the termination of a Service Agreement, Buyer under that Service Agreement shall be required to correct any outstanding imbalance in receipts and deliveries within sixty (60) days after Operator determines, and notifies Buyer, that such an imbalance exists, or within such longer period of time agreed to by Buyer and Operator.

#### 7. Flexible Primary and Secondary Receipt and Delivery Points

(a) Primary Receipt and Delivery Points. The Receipt Points for all Natural Gas tendered to Operator for service under Operator's Rate Schedules shall be at the interconnection of the facilities of Operator, Buyer or any applicable third parties, or at such other primary point(s) agreed upon by Buyer and Operator and specified in Buyer's Service Agreement with Operator. The Receipt Point for LNG tendered to Operator under Rate Schedules FPS-1, FPS-2, FPS-3 and Section 11 (LNG Inventory Transfers Among Buyers Under Rate Schedules FPS-1, FPS-2 and FPS-3) of the General Terms and Conditions shall be Operator's LNG storage tanks. The Delivery Points for all Natural Gas delivered by Operator to Buyer or to a third party on behalf of Buyer under Operator's Rate Schedules shall be (i) at the interconnection of the facilities of Operator and Buyer or any applicable third parties, or (ii) at such other primary point(s) agreed upon by Buyer and Operator and specified in Buyer's Service Agreement with Operator.

(b) Flexible Primary Receipt and Delivery Point Authority. Except for the Receipt Point for LNG tendered to Operator under Rate Schedules FPS-1, FPS-2, FPS-3 and Section 11 (LNG Inventory Transfers Among Buyers Under Rate Schedules FPS-1, FPS-2 and FPS-3) of the General Terms and Conditions, and except as may otherwise be specified in this Section or in individual Rate Schedules, Buyers under Rate Schedules FPS-1, FPS-2 and FPS-3 shall have flexible primary Receipt and Delivery Point authority; provided that Operator, in its reasonable discretion, determines that sufficient firm capacity exists in its existing

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facilities to accommodate the proposed changes in primary Receipt or Delivery Points. Any Buyer seeking to change primary Receipt or Delivery Points under an existing Service Agreement shall request such a change by advising Operator, identifying the Service Agreement affected, and furnishing Operator with the information described in Section 3 (Requests for Service) of the General Terms and Conditions. If firm capacity is available to accommodate Buyer's requested change, Operator and Buyer shall execute an agreement, superseding Appendix A to the relevant Service Agreement, that shall reflect the agreed changes in such Receipt or Delivery Points, or maximum daily quantities.

(c) Secondary Receipt and Delivery Point Authority. Except as provided in Paragraph (b) above or elsewhere in this Tariff, Buyer may have secondary Receipt and Delivery Points under any firm Service Agreement as provided and subject to the requirements in the applicable Rate Schedule. Receipts and deliveries of Natural Gas at such secondary Receipt and Delivery Points shall have the allocation priority as described in Section 15 (Capacity Allocation) of the General Terms and Conditions, and Operator shall interrupt service at such secondary Receipt and Delivery Points for the same reasons and in the same manner as interruptible services at such points, as set forth at Section 16 (Interruptions of Service) of the General Terms and Conditions. The list of interconnections at which secondary point service is available will be maintained by Operator in a Master List of Interconnections (MLI) posted on its EBB. The interconnection points on the MLI shall be incorporated, where appropriate, as secondary points in Buyer's Service Agreement.

#### 8. Natural Gas Quality

(a) General Requirement. Natural Gas received by Operator and delivered to Buyer hereunder shall at all times conform to the quality provisions set forth in this Section. Operator shall not be required to receive Natural Gas from Buyer or for Buyer's account which does not conform to the requirements of this Section. Buyer shall indemnify Operator and save it harmless from all suits, actions, regulatory proceedings, damages, costs, losses and expenses (including reasonable attorney fees) arising out of the failure of said Natural Gas to conform to such quality provisions.

(b) Natural Gas. The gas received by Operator and delivered to Buyer hereunder shall be a combustible gas consisting wholly of, or a mixture of:

(i) Natural Gas of the quality of composition produced in its natural state except as provided herein;

(ii) Natural Gas produced by vaporization of Liquefied Natural Gas (LNG); or

(iii) manufactured, reformed, or mixed gas consisting essentially of hydrocarbons of the quality and character produced by nature in the petroleum, oil, and Natural Gas fields with physical properties such that when the gases are commingled they become indistinguishable with respect to the physical properties of the mixture.

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(c) Processing. The gas received and delivered hereunder shall be Natural Gas as defined in Paragraph (b) above; provided however, that Operator may subject or permit the subjection of said Natural Gas to compression, cooling, cleaning, extraction or other processes to such an extent as may be required in its transmission, liquefaction, storage, and vaporization hereunder.

(d) Heating Value. Neither Buyer nor Operator shall be required to accept Natural Gas having a heating value of less than 967 Btu per cubic foot. Operator shall not be required to accept Natural Gas having a heating value of more than 1,065 Btu per cubic foot.

(e) Objectionable Properties. The Natural Gas received and delivered:

(i) shall be commercially free from particulates or other solid or liquid matter which might interfere with its merchantability or cause injury to or interfere with proper operation of the lines, regulators, meters and other equipment of Operator;

(ii) shall not contain more than twenty-five hundredths (0.25) grains of hydrogen sulfide per one hundred (100) cubic feet;

(iii) shall not contain more than twenty (20) grains of total sulfur per one hundred (100) cubic feet;

(iv) shall not contain more than 1.5% CO<sub>2</sub>; 0.75% N<sub>2</sub>; or more than 150 parts per million by volume of H<sub>2</sub>O; and

(v) shall not contain any other harmful contaminants, including O<sub>2</sub> or Hg, which might interfere with proper operations of or cause damage to Operator's facilities.

(f) Operator and Buyer may agree, or governmental authorities may require, that the Natural Gas be odorized by use of a malodorant agent 19 of such character as to indicate by a distinctive odor the presence of Natural Gas. Whenever odorized Natural Gas is delivered, the quality and specifications of such Natural Gas, as set forth in this Section 8, shall be determined prior to the addition of malodorant and with proper allowance for changes or additions to the Natural Gas due to such malodorant. Such odorization of the Natural Gas by Operator, unless otherwise mutually agreed by Buyer and Operator, shall be for the purpose of detection of the Natural Gas only during the time it is in possession of the Operator, prior to delivery to Buyer.

(g) Operator may refuse to accept Natural Gas or may impose additional Natural Gas quality specifications and restrictions if Operator, in its reasonable judgment, determines that harm to Operator's facilities or operations could reasonably be expected to occur if it receives Natural Gas that fails to meet such additional specifications and restrictions. Operator reserves the right to refuse to execute any agreement which does not contain the Natural Gas quality specifications and restrictions deemed reasonable and necessary by Operator, and Operator reserves the right to refuse to accept or continue to accept Natural Gas

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that fails to meet such additional specifications and restrictions. Such additional specifications and restrictions may be imposed to limit the concentrations of elements or compounds that Operator determines, in its reasonable judgment, may be corrosive or toxic in nature, may represent an environmental hazard, may interfere with the merchantability of the Natural Gas, or may cause injury to or interference with proper operation of the lines, regulators, meters and other equipment of Operator.

#### 9. Operating Pressure

(a) Operator shall deliver Natural Gas at each Delivery Point to or for the account of Buyer at the pressure which shall be available from time to time in Operator's pipeline after required measurement, flow control, or regulation; provided, that Operator, by agreement with Buyer, may establish a minimum or maximum pressure.

(b) Buyer shall deliver Natural Gas or cause gas to be delivered to Operator at each Receipt Point at a pressure sufficient to allow Operator to operate its liquefaction equipment and to maintain transportation services to its customers. Operator shall not be required to compress into its pipeline Natural Gas transported under any Rate Schedule or otherwise change its normal pipeline or Cove Point Terminal operations.

#### 10. Release and Assignment of Service Rights

The procedures set forth in this Section governing the release and assignment of service rights by Buyers shall apply to all firm services by Operator for which such right is provided in the applicable Rate Schedule. A Buyer under Rate Schedule FPS-1, FPS-2, FPS-3 or FTS may release and assign all or any portion of the service under its Service Agreement. Any Buyer accepting such assignment ("Assignee") shall be bound by all conditions and requirements set forth in the General Terms and Conditions and in the respective Rate Schedule and Service Agreement.

##### (a) Initiating the Release and Assignment.

(1) Electronic Bulletin Board. The release and assignment of service rights by Buyer shall be facilitated through Operator's Electronic Bulletin Board (EBB) described in Section 2 (Electronic Bulletin Board) of the General Terms and Conditions. As explained below, Buyers seeking to release and assign firm service rights ("Releasors") shall post offers to release and notices of prearranged assignments through Operator's EBB. Potential Assignees also may post offers to purchase service rights and bids for capacity noticed by Releasors through Operator's EBB. Such postings shall be made through the interactive features of Operator's EBB. Operator reserves the right to request modifications in or to delete all or any portion of such postings; provided, however, that Operator shall have no responsibility for any errors, omissions, or other aspects of these postings from third parties on its EBB.

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- (2) Release Notice. Releasor may initiate the assignment of the service rights it is seeking to release and assign by electronically transmitting the information specified below to Operator's EBB ("Release Notice"). Such electronic Release Notice may contain a minimum price provision, and shall contain the following information regarding the capacity that Buyer is seeking to release:
- (i) Releasor's identity, the Rate Schedule under which Releasor seeks to release capacity, and the contract number, if any, assigned by Operator to the Service Agreement under which Buyer seeks to release capacity;
  - (ii) whether the release is on a temporary or permanent basis;
  - (iii) the numeric quantity on a per day basis for transportation, a per release quantity for peaking, and the term (duration);
  - (iv) the Receipt Point(s) and Delivery Point(s);
  - (v) any applicable recall provisions relating to the proposed release and whether the Assignee will have the option to refuse the capacity after recall has ended;
  - (vi) any minimum conditions concerning the rate, term, or volume that the Releasor is willing to accept (and that Releasor wishes to have posted on Operator's EBB), or a statement that it has separately revealed to Operator any such minimum conditions, which shall be posted following the close of bidding,
  - (vii) whether Releasor will accept contingent bids for the capacity being released and, if so, all terms and conditions of acceptable contingencies includnig the manner in which such contingent bids will be evaluated;
  - (viii) the maximum reservation charge (including demand-type surcharges) applicable to the capacity being released but, pursuant to 18 C.F.R. Section 284.8(i) of the Commission's regulations, until September 30, 2002, the maximum rate ceiling does not apply to capacity release transactions of less than one year, and the rate paid in any capacity release transaction not subject to the maximum rate ceiling will not be subject to refund;
  - (ix) the date and time of (i) the positing of the release notice on Operator's EBB, and (ii) the close of the bidding for the released capacity;

(x) whether the Releasor has a prepackaged arrangement to assign the service to a specified Assignee;

(xi) objective criteria for evaluating responsive bids by potential Assignees, including a statement as to whether contingent bids will be accepted, and, if so, how such bids will be evaluated;

(xii) the name, telephone number, and facsimile machine number of Releasor's designated contact person;

(xiii) whether bids for the released firm capacity are to be on the basis of a two-part or a one-part volumetric rate. All Assignees, whether bidding for firm capacity on the basis of a reservation charge or a volumetric rate, shall be responsible, in addition to its bid reservation charge or volumetric rate, for all commodity charges, commodity surcharges and any penalty or imbalance costs incurred by the Assignee;

(xiv) whether bids for the released capacity are to be submitted on a fixed dollars and cents amount or on a percentage basis; and

(xv) whether the release is subject to an indemnification provision pursuant to which the initial Assignee indemnifies Releasor against any claims by successive Assignees relating to refunds (where Releasor has provided correctly calculated refunds to the initial Assignee), and all terms of any such indemnification provision.

Releasor at any time may withdraw its posting for release and capacity by placing a notice of withdrawal on Operator's EBB.

(3) Evaluating Criteria. Operator shall evaluate bids submitted for capacity offered for release based on the best bid first utilizing the methodology chosen by Releasor, including (1) highest rate, (2) net revenue, (3) present value, or (4) Other. Releasor, upon choosing "Other", must establish alternative, nondiscriminatory criteria for evaluating bids. Should Releasor choose "Other" as the method of evaluation, Operator shall not be required to meet the timelines outlined in 14.5. Releasor shall include all such alternative evaluation criteria in the Release Notice to be posted on Operator's EBB. When multiple bids meeting minimum conditions are received, Operator shall award capacity, best bid first, until all offered capacity is awarded.

(4) At any time up to the close of the bidding period for the posted capacity, Releasor may withdraw its posting for release of capacity if Releasor itself has an unanticipated use for the capacity and no minimum bid has been made. Such a withdrawal shall be effected by Releasor placing a notice of withdrawal on Operator's EBB. Offers will be binding until a notice of withdrawal is received.

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(b) Posting.

Posting of Release Notices on Operator's EBB shall be complete and subject to the conditions and exceptions set forth below.

- (1) Exempt Transactions. Posting for purposes of inviting bids shall not be required for (i) prepackaged Rate Schedule FTS arrangements Releasor has arranged with a designated Assignee for a period of 31 days or less; or (ii) prepackaged Rate Schedules FPS-1, FPS-2, FPS-3 and FTS arrangements that Releasor has arranged with a designated Assignee under which the designated Assignee agrees to pay the maximum rate under such Rate Schedule(s) and meets all requirements set forth in this Tariff (collectively "exempt transactions"). The rate received by Releasor under such prearranged transactions exempt from the ordinary posting and competitive bidding procedures otherwise set forth in this Section must not exceed the applicable maximum rate under any such Rate Schedule(s) established in this Tariff filed with the Commission. Pursuant to 18 C.F.R. Section 284.8(I) of the Commission's regulations, until September 30, 2002, the maximum rate ceiling does not apply to capacity release transactions of less than one year. In addition, until September 30, 2002, capacity release transactions with terms greater than 31 days and less than one year must be posted for bidding regardless of rate paid.
- (2) Informational Posting. For any exempt transaction, as described in paragraph (1) immediately above, Releasor, for information purposes, shall cause the following information regarding such transactions to be posted on Operator's EBB no later than two and one-half (2 1/2) hours prior to nominating (for informational purposes): (i) the information required for a Release Notice; (ii) the term of the assignment; (iii) the price; and (iv) the identity of the Assignee.
- (3) Limitations on Continuation of Exempt Transactions. Except as provided below, a Releasor that has employed an exempt transaction to assign service to a designated assignee for a period of 31 days or less, as described in Section 10.b(1) above: (i) shall not roll over, extend, or otherwise continue that release beyond its original term without complying with the posting and competitive bidding requirements applicable to all non-exempt transactions, as set forth in this Section; and (ii) shall not re-release to the same assignee for 28 days after termination of the earlier release period without fully complying with the ordinary posting and competitive bidding requirements applicable to all non-exempt transactions, as set forth in this Section. Prearranged releases at the maximum rate under Rate Schedules FPS-1, FPS-2, FPS-3 and FTS, meeting all other items and conditions of the release, may be rolled over from month to month. Any release of 31 days or less may not be rolled over, extended or in any way continued without being subject to posting and competitive bidding regardless of rate paid.

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(4) Timing and Duration of Posting. Offers by potential Releasors to release and assign capacity shall be posted at a date and for a posting period to be established by Releasor in the Release Notice; provided that the posting, regardless of the term of the proposed release, satisfies the minimum posting period of one hour for releases of less than five months or three business days for releases of five months or more. Offers to release and assign capacity for releases of less than five months which are not exempt from bidding requirements shall be posted on Operator's EBB by 1:00 p.m. (C.T.). Open season for accepting bids shall end at 2:00 p.m. (C.T.) on the day preceding nominations. Releases of five months or more which are not exempt from bidding requirements shall be posted for bidding by 1:00 p.m. (C.T.) four business days before nominations are due. Open season for accepting bids shall end at 2:00 p.m. (C.T.) on the day before nominations are due. Posting of pre-arranged deals not subject to bid will be posted by 9:00 a.m. the day of nominations. Releasor may not specify an extension of the original bid period without posting a new release.

(c) Bidding.

(1) Potential Assignees shall submit bids for released capacity which comport with the methodology of the release notice stated in ten thousandths of one dollar (\$0.0000) per Dth per month for reservation charges and for all demand sucharges, or in hundredths of one cent (0.00¢) per Dth for one-part volumetric rate bids or a percent of maximum, accompanied by a valid bid for capacity release form in the form included in this Tariff. Bids submitted for a permanent release shall be submitted on a valid Request for Service Form as set forth in Section 3 (Requests for Service) of the General Terms and Conditions. Such bids shall (i) be electronically submitted to Operator's EBB and displayed when complete (without revealing the identity of the bidder) during the bidding period, (ii) be submitted by potential Assignees in a manner prescribed by Operator, and (iii) be in accordance with Releasor's specifications, and specifically reference the capacity for which the bid is being submitted.

(2) A potential Assignee responding to the posting of a Release Notice shall be permitted to bid a contingent bid, provided, however, that the Releasor may reject that bid on the basis of the contingency.

(3) Bids shall be submitted by potential Assignees without bidders knowing the identities of other bidders. A bidder may submit multiple bids, or may withdraw its bid during the posting period established in Section 10(b)(4). A potential Assignee which has withdrawn its bid may submit a new bid only if it is for a higher economic value than the withdrawn bid. Operator shall inform Releasor of the identity of the winning bidder and the terms of the winning bid on the first business day following the close of bidding.

(4) All bidders must meet Operator's creditworthiness standards, as described at Section 3 (Requests for Service) and Section 6 (Operating Conditions) of the General Terms and Conditions. Any potential Assignee must demonstrate its creditworthiness to Operator, and may do so in advance of bidding

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by submitting a request for service to Operator and furnishing the data required by Section 3.

- (5) Releasors that have multiple Service Agreements with Operator may post Release Notices for capacity under such Service Agreements with a "Stand-Alone" or "Not Stand Alone" indicator. Potential Assignees must submit bids on all parcels that "Stand Together".
  - (6) Bids shall not exceed any maximum rate or be less than any minimum rate permitted by the Commission for the released services. Bids for firm capacity offered at a volumetric rate shall not exceed any applicable maximum reservation charge, which determination shall be made by converting the reservation charge to a volumetric rate at a one hundred percent (100%) load factor. Pursuant to 18 C.F.R. Section 284.8(I) of the Commission's regulations, until September 30, 2002, the maximum rate ceiling does not apply to capacity release transactions of less than one year.
  - (7) Where higher bids are received for capacity that Releasor proposes to release under a prepackaged arrangement that is subject to competitive bidding because the prearranged price is lower than the maximum rate (including prepackaged arrangements for 31 days or less for which Releasor requests competitive bidding), the Assignee designated by Releasor ("designated Assignee") shall be notified by Operator by 3:00 p.m. (C.T.) on the day bidding closes of higher competing bids, and shall have one hour to exercise its right to match the highest competing bid. A Releasor shall not be able to specify an extension of the original pre-arranged match period without posting a new release.
  - (8) Bids are binding, other than contingent bids, until written or electronic notice of withdrawal is received. Bids may be withdrawn before the close of the bidding period.
- (d) Evaluation of Bids and Assigning Service Rights.
- (1) Operator shall perform the evaluation of bids in accordance with the criteria specified in the Release Notice and shall determine which, if any, bids to accept.
  - (2) In the absence of any such Releasor-developed alternative criteria to the contrary, as specified in Releasor's Release Notice, bids shall be evaluated and rights to released capacity assigned by Operator in accordance with the bid evaluation criteria referenced at Section 10(a)(3).

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(3) Where Releasor has posted a prepackaged arrangement, the designated Assignee under that arrangement will be awarded the capacity if, within the time limit specified in Section 10(c) (7) immediately above, that designated Assignee matches the highest competing bid(s).

(4) Where highest bids of equal value are received for released capacity from more than one bidder, and there is no designated Assignee under a prepackaged arrangement or the designated Assignee does not match the highest competing bids, the capacity shall be assigned pro rata on the basis of the respective quantities bid by the winning bidders. Bidders may specify in their bids the minimum quantities they will accept. If a pro rata allocation would result in assignment of quantities below a bidder's minimum quantity, any such bidder will not be assigned the capacity, and the total quantity available for assignment will then be re-allocated among the remaining highest value bidders on a pro rata basis provided that the Releasor has failed to specify a tie-breaking method of its own.

(5) Operator shall inform Releasor of the winning bid(s) and Operator shall post on the EBB the identity of the winning bidder(s), for a service under the applicable Rate Schedules, by 5:00 p.m. (C.T.) on the day the bid closes.

(e) Assignment Agreements.

(1) Operator and Assignee shall execute an Assignment Agreement in the form contained in this Tariff that includes all terms and conditions of the release and assignment. Operator will tender such Assignment Agreement to Assignee by 10:00 a.m. (C.T.) of the next Business Day. If the Assignee does not return the Assignment

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Agreement within two (2) Business Days of Operator's tender (or such later date established by Releasor through notice to Operator and Assignee) then the Assignment Agreement shall be void and, Operator will tender an Assignment Agreement to the next highest acceptable bidder, if any, as directed by Releasor.

(2) All releases and assignments pursuant to this Section shall have pregranted abandonment authority.

(f) Implementation; Receipt and Delivery Points. Following acceptance of a bid for assignment and execution of a Service Agreement, Operator will accept nominations or requests for alternate receipt or delivery points for the assigned capacity. Quantities flowing under assigned service rights shall have the same priority as those quantities had under the applicable underlying service agreement originally entered into by Releasor and Operator, and that priority shall be unaffected by whether or not the assignment is subject to recall, as described in paragraph (g) below.

(g) Recall; Reassignment of Assigned Service Rights.

(1) Agreements Subject to Recall. Releasors shall be permitted to specify as a condition for releasing capacity the right to recall that assigned capacity upon notice to Operator and Assignee. Any such recall provision must be included in the Release Notice originally submitted by Releasor and in the Service Agreement executed following assignment of the capacity. The Release Notice and the Service Agreement governing the assigned capacity shall clearly state (i) the frequency with which Releasor may recall any released capacity, (ii) the maximum duration of any such recall, and (iii) the length of the advance notice to Operator and Assignee required before recall may be effectuated; provided that the advance notice shall be provided to Operator and Assignee no later than 8:00 a.m. C.T. of the day before the effected Gas Day and there shall be no partial day recalls of capacity and may call for telephonic notice only if Releasor is required to confirm that telephonic notice by written, electronic or facsimile transmission within two (2) hours thereafter. Assignee shall be permitted to make secondary assignments of all or any part of the capacity contained in its Service Agreement that is subject to Releasor's right to recall, unless prohibited by the Releasor, provided, however, that the second assignment shall not vary the recall provisions contained in the original assignment.

(2) Conditions and Limitations of Reassignment. An Assignee that desires to release some or all of its assigned capacity (Assignee/Secondary Releasor) may release and reassign all or a portion of the assigned capacity to other parties (Secondary Assignees) if the original assignment is not subject to recall by the original Releasor, as described in paragraph (1) immediately above. Any such reassignment must satisfy all of the posting, bidding and notice requirements set forth in this Section, and any Secondary Assignee must satisfy all of the creditworthiness and other requirements set forth in this Section. No limitation unless prohibited by the Releasor shall be placed on the number of times service rights may be reassigned, provided, however, that an Assignee/Secondary Releasor may not assign rights any greater than the rights it received pursuant to the earlier assignment, and may not place any unreasonable or discriminatory conditions on such assignments. A n Assignment Agreement that contains a

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volumetric rate to be paid by the Assignee for firm capacity may not be released and reassigned by the Assignee.

(h) Transfer of LNG Inventory.

(1) If an assignment of capacity is made under Rate Schedule FPS-1, FPS-2 or FPS-3, the Releasor shall, contemporaneously with the assignment of capacity, transfer to the Assignee any LNG then being held in storage for the account of the Releasor or, if only a portion of the Releasor's capacity is assigned, Releasor shall assign to the Assignee a proportionate portion of its LNG inventory in excess of its retained storage capacity. All assignments of LNG shall be pursuant to Section 11 (Inventory Transfers) of the General Terms and Conditions.

(2) In the event of an assignment of capacity under Rate Schedule FPS-1, FPS-2 or FPS-3 requiring the transfer of LNG inventory to the Assignee, the requirement of such a transfer shall be included in the EBB posting and Releasor may designate a minimum price for the inventory to be transferred.

(i) Billing.

(1) For all assignments, Operator, in accordance with the terms of this Tariff, shall bill

(i) the Releasor for the full reservation charge and any applicable reservation related surcharges for which Releasor is otherwise obligated to Operator, less the reservation charge bid by Releasor's Assignee or, when such Assignee is paying the reservation charge pursuant to a bid volumetric rate, the portion of the total volumetric charge to be paid by Releasor's Assignee during the applicable billing period which is attributable to the bid volumetric rate, and (ii) the Assignee for (A) the reservation charge bid by that Assignee, (B) all commodity charges, or all payments under one-part volumetric rates, and any minimum volumetric commitment agreed to but not met by the Assignee, (C) demand and commodity surcharges, and (D) any penalties or imbalance correction costs, as any of these charges may change from time to time upon approval of the Commission. Assignee may, upon notice to Operator, appoint Releasor as its agent to receive such billings from Operator. The charges shall be pro-rated for a billing month if necessary.

(2) For all assignments of service rights, regardless of which party Operator bills, Releasor shall remain ultimately responsible to Operator for full payment of the reservation charge and the demand surcharges (including any changes in those charges with Commission approval) called for under Releasor's original Service Agreement with Operator. Upon payment by Assignee to Operator of any unpaid reservation charges, any claims Releasor may have shall be subordinated to those of Operator.

(3) Releasor shall have the right, if stated as a condition in its Release Notice, to require Assignee to (i) prepay or post a bond for up to two (2) month's demand and commodity charges, or (ii) provide other reasonable surety of performance, if, in Releasor's reasonable judgment, Assignee is uncreditworthy.

(4) In the event that an Assignee (including a Secondary Assignee) fails to pay Operator's invoice relating to the released capacity, Operator shall within five (5) business days provide the Releasor (the most recent Releasor,

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where the capacity has been secondarily assigned) with written or telephonic notice of such nonpayment, Releasor may immediately recall the assigned capacity upon 24-hour notice to Assignee unless within such period Assignee pays in full the outstanding indebtedness, together with accrued interest at the Commission approved interest rate, and furnishes adequate assurance of payment to Releasor if required by Releasor.

- (j) Refunds. The original Releasor of any capacity shall receive from Operator any reservation charge-related refunds associated with assigned capacity. The Assignee holding the assigned right to service at the time shall receive from Operator its share of any commodity charge-related refunds associated with the assigned capacity. Such commodity charge refunds will be made by Operator directly to Assignee or indirectly through the Releasor if Assignee has appointed Releasor as its agent for billings pursuant to Section 11(i)(1) above. Pursuant to 18 C.F.R. Section 284.8(I) of the Commission's regulations, until September 30, 2002, the maximum rate ceiling does not apply to capacity release transactions of less than one year. The rate paid in any capacity release transaction not subject to the maximum rate ceiling will not be subject to refund.
- (k) Fees. Operator shall not charge a fee for posting of a Release Notice or a Request to Purchase on its EBB. Operator shall be entitled to charge a reasonable fee if Releasor and Operator agree that Operator shall receive a fee for actively marketing the capacity Releasor seeks to release.

11. LNG Inventory Transfers Among Buyers Under Rate Schedules FPS-1, FPS-2 and FPS-3

- (a) Transfers. Upon receiving the approval of Operator, a Buyer may transfer LNG inventory under its Rate Schedule FPS-1, FPS-2 or FPS-3 to a different Buyer's account under Operator's Rate Schedule FPS-1, FPS-2 or FPS-3, if such other Buyer agrees in writing to the transfer.
- (b) Requests to Transfer; LNG Inventory Transfer Form. Operator will, upon a Buyer's request, post an announcement of Buyer's desire to transfer inventory, but Buyer shall remain responsible for making all arrangements effecting the proposed transfer. To request an inventory transfer, the Transferor and Transferee Buyers shall send a completed Inventory Transfer Form (in the form included under Miscellaneous Forms in this Tariff) via fax or mail to Operator. Within two business days of Operator's receipt of a completed and executed Inventory Transfer Form, Operator shall notify the Buyers listed on that completed and executed Inventory Transfer Form of Operator's acceptance or rejection of the proposed transfer. Transfers shall be effective upon Operator's notice of acceptance. Retroactive transfers shall not be permitted.
- (c) Rejection by Operator. Operator may reject any proposed transfer under this Section 11 if it determines that such transfer cannot be accommodated: (i) without diminishing Operator's ability to provide firm service to any Buyer; (ii) without increasing Operator's firm service obligations; (iii) because the LNG sought to be transferred is not available in Buyer's account; (iv) because of an imbalance status of the transferor's and transferee's accounts, as reflected in Operator's records; or (v) because the requested transfer is retroactive.

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## 12. Penalties

The penalties set forth in this Section apply to all Operator's Rate Schedules, unless otherwise indicated in this Section or in individual Rate Schedules.

(a) Takes in Excess of Scheduled Daily Quantity under Rate Schedules FTS and ITS. If Buyer's takes under Rate Schedules FTS or ITS on any day exceed the Hourly Scheduled Quantity (the Hourly Scheduled Quantity being defined as the Scheduled Daily Delivery Quantity divided by twenty-four (24)) during any hour by at least 20,000 Dth and/or exceed the Scheduled Daily Delivery Quantity by at least 20,000 Dth, Operator shall assess a penalty of \$5.00 per Dth on all quantities in excess of the Hourly Scheduled Quantity each hour and/or the Scheduled Daily Delivery Quantity.

(b) Failure to Interrupt Service. If Buyer fails to interrupt service as directed by Operator pursuant to Section 16 (Interruptions of Service) of the General Terms and Conditions, and thereby delivers gas to or takes gas from Operator in excess of 103 percent of the sum of the lowered Scheduled Daily Receipt Quantity or lowered Scheduled Daily Delivery Quantity established under Rate Schedules FTS, ITS, FPS-1, FPS-2 or FPS-3 by Operator's interruption order, Buyer shall be assessed and pay penalties of \$5.00 per Dth on all quantities taken or delivered in excess of one hundred three percent (103%) of its reduced Scheduled Daily Receipt Quantity or reduced Scheduled Daily Delivery Quantity.

(c) Failure to Comply with Operational Flow Orders. If Buyer fails to comply with an operational flow order issued by Operator pursuant to Section 17 (Operational Flow Orders) of the General Terms and Conditions, a penalty of \$5.00 per Dth per day shall be assessed on all quantities taken or delivered in violation of that operational flow order.

### (d) Miscellaneous.

(1) All penalties and charges assessed under this Section shall be paid in addition to the applicable transportation rates and charges, including any Excess Withdrawal charge. If an action by Buyer results in a penalty under more than one paragraph of this Section 12, the penalty resulting in the highest payment by Buyer shall apply.

(2) In the event Buyer seeks to avoid any penalty provided for in this Section on the ground that such charge was incurred because of a force majeure event as defined at Section 14 (Force Majeure) of the General Terms and Conditions, Buyer shall document such force majeure event to Operator. Operator shall waive penalties to the extent that the imbalance was caused by a force majeure event as defined at Section 14.

(3) Operator may not assess against or collect from a Buyer any penalty set forth in this Section 12, in whole or in part, if Buyer's imbalance did not affect Operator's ability to provide service under any of its Rate Schedules in this Tariff. Operator's determination not to assess or collect a penalty for any individual occurrence shall not operate or be construed as a

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waiver of any penalty or penalties for future occurrences whether of like or different nature.

(4) Operator may waive its right to collect all or any portion of the penalties assessed against Buyer, provided that any such waiver is granted in a nondiscriminatory manner.

(5) To the extent that any imbalance directly results from Buyer's reliance on inaccurate data from Operator, no penalty will be assessed for that portion of the imbalance shown by Buyer to be attributable to such inaccurate data.

#### 13. Discounting

(a) In General. Operator may at any time in its sole discretion selectively discount the rate(s) applicable to any individual Buyer under any Rate Schedule set forth in this Tariff; provided, however, that such discounted rate(s) shall not be less than the Minimum Rate(s) for the applicable service as set forth in the currently-effective rate sheets of this Tariff. If Operator discounts any rate to any Buyer, Operator shall file with the Commission any required reports respecting such adjusted rate. Operator and Buyer shall enter into a written agreement describing the terms of any such discounting of Buyer's rate(s).

(b) Allocation or Interruption. To the extent that Operator allocates or interrupts service rights based upon price, as set forth in Section 15 (Capacity Allocation) and Section 16 (Interruptions of Service) of the General Terms and Conditions, the price utilized by Operator for such purposes, where rates for service have been discounted by Operator, shall be Buyer's discounted rate for the service.

#### 14. Force Majeure

(a) Definition. The term "force majeure" means any event or condition or combination of events and/or conditions which prevents, hinders, or delays the performance of any obligation, in whole or in part, under the applicable service agreement, rate schedule or these General Terms and Conditions, which is not within the reasonable control of the party claiming suspension by reason of force majeure and which the party claiming suspension is unable to prevent or overcome by the exercise of due diligence. Such events or conditions, provided that the foregoing requirements are met, include, but are not defined by or limited to, acts of God, strikes, lockouts, acts of a public enemy, acts of sabotage, wars, blockades, insurrections, riots, epidemics, landslides, subsidence, earthquakes, fires, hurricanes, storms, tornadoes, storm warnings, floods, washouts, civil disturbances, explosions, accidents, freezing of wells or pipelines, partial or entire electronic, mechanical or physical failure that affects the ability to transport gas by pipeline, or to operate treatment, liquefaction, vaporization, storage or the binding order of any court, legislative body, or governmental authority. Failure by any party claiming suspension to prevent or settle any strike or strikes shall not be considered to be an event or condition within the control of such party.

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(b) Effect. If either party to the applicable service agreement is rendered unable, wholly or in part, by force majeure to carry out its obligations under the applicable service agreement, then such party shall give notice and reasonably full particulars of such force majeure in writing or by facsimile or telephone to the other party within a reasonable time after it becomes aware of the occurrence of the force majeure, and the obligations of such party, insofar as they are affected by such force majeure, shall be suspended from the commencement of such force majeure through the continuance of any inability so caused, but for no longer period, and such force majeure shall so far as possible be remedied with all reasonable dispatch. Notwithstanding the foregoing, no force majeure of a party shall relieve such party from its payment obligations under the applicable service agreement. If a party is unable, wholly or in part, to render service to another party due to force majeure the party not receiving service shall be relieved of any payment obligation to the extent and for so long as it is not receiving service.

#### 15. Capacity and Imbalance Allocations

This Section specifies the procedures for allocating any differences between: (i) Buyers' aggregate nominations that may exceed the available capacity at Delivery and/or Receipt Points, (ii) the aggregate of all Buyers' Scheduled Daily Delivery Quantities and actual deliveries, and (iii) the aggregate of all Buyers' Scheduled Daily Receipt Quantities and actual receipts ("Difference(s)") at Delivery Points at which gas is being delivered to or for the account of multiple Buyers or at receipt points from which gas is being received by Operator for the account of multiple Buyers. Unless otherwise agreed to between Operator and Confirming Party, physically measured quantities shall be allocated on scheduled daily quantities and shall be made using Dekatherm units.

(a) Capacity. If Operator receives nominations from Buyers that exceed available capacity Operator shall allocate capacity among Rate Schedules by first allocating capacity at Delivery Points then allocating capacity at Receipt Points based on the following priority schedule:

(1) First, among Buyers under Rate Schedules FPS-1, FPS-2, FPS-3, and FTS with total nominations for service within their contractual entitlements at Primary Delivery and Receipt Points.

(2) Second, among Buyers under Rate Schedules, FPS-1, FPS-2, FPS-3 and FTS with total nominations for service within their contractual entitlements at Secondary Delivery Points. When nominations at a Secondary point exceed available capacity at that point, Secondary point capacity will be allocated among Buyers on a pro rata basis, based upon each Buyers' respective level of nominated quantities firm contract entitlement on that day.

(3) Third, among Buyers under Rate Schedule ITS with nominations for service at Delivery and Receipt Points commencing on the first day of the month starting with those Buyers paying the highest rate. Where nominations for ITS service by any group of Buyers paying the same rate exceeds the available capacity at a Delivery or Receipt Point, capacity will be allocated at that Delivery or Receipt Point based upon the following priority:

(i) first, to Buyers that paid the highest rate in the previous month up to the level of the quantities flowing at that rate on the due date for monthly nominations at that Delivery or Receipt Point in the month of the nomination;

(ii) next, to Buyers flowing gas at that Delivery or Receipt Point on the due date for monthly nominations that have requested increased quantities at that point for the upcoming month, pro rated, if necessary, based upon Buyers' level of confirmed nominated increase;

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(iii) then, equally to all remaining Buyers nominating quantities at that point.

(4) Fourth, among Buyers under Rate Schedule ITS nominations for service commencing other than on the first day of a month. Where such nominations exceed the available capacity at the nominated Delivery or Receipt Point, Operator shall allocate the available capacity as follows:

(i) to Buyers paying the highest rate up to the level of the quantities flowing at that rate, on the date of the nomination;

(ii) then, to Buyers currently flowing Natural Gas at the given Delivery or Receipt Point pro rated, if necessary, based upon the quantities flowing for each Buyer at that point on the day preceding Operator's receipt of the nomination;

(iii) then, to the remaining Buyers paying the same highest rate based upon the order in which Operator received nominations from those Buyers;

(iv) then, equally to any remaining Buyers nominating quantities at the relevant Delivery or Receipt Point.

(b) Delivery Point Allocation. If deliveries are made to a third party (that is not a Buyer) for the accounts of multiple Buyers, the Difference shall be allocated pro rata among all Buyers at that delivery point on the basis of those Buyer's Scheduled Daily Delivery Quantities, unless, prior to the gas actually flowing, all affected Buyers at that delivery point have agreed to a Predetermined Allocation

Method (PDA) specifying a different allocation methodology and such agreement is provided to Operator in writing and approved by Operator. The party responsible for custody transfer (the party performing the measurement function) should provide the allocation. Month-end allocations shall be based on a measurement

closing date of the fifth Business Day after the Month. If actual quantities are not available, quantities will be estimated by the Measuring Party. When actual data becomes available, it should be treated as a prior period adjustment.

(c) Receipt Point Allocation. Differences at a receipt point shall be allocated pro rata among all Buyers at that receipt point on the basis of the Scheduled Daily Receipt Quantities, unless the upstream point operator providing the point confirmation submits a PDA to the allocating party before the start of the Gas Day, and Operator accepts the PDA. The party responsible for the custody transfer (the party performing the measurement function) should provide the allocation.

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(d) Predetermined Allocation Method(PDA). As used in this Section 15, a PDA is an agreement by or among point operators, prior to the beginning of the Gas Day, at a receipt or delivery point to allocate the difference between the scheduled daily quantity and the actual daily flow of gas in a mutually agreeable manner. Types of allocation methods include, but are not limited to, Rank, Pro Rata, Percentage, Swing and Operator Provided Value. PDA's shall be provided by the interconnecting operator, and for multi-tiered allocations, may be provided by the upstream title holders or shippers. Interconnecting operators at receipt locations shall provide a PDA to allocate to upstream title holders. Upstream title holders may provide a PDA to allocate to the parties taking possession of their gas at a receipt location. Buyers may provide a PDA to allocate to their nominations or imbalances at either receipt or delivery locations.

(1) Except as prescribed in Section 15(a) of the General Terms and Conditions, if confirming parties cannot agree upon an allocation methodology, "pro rata based upon confirmed nominations" shall be used as the default method.

(2) Operator may negotiate and enter into OBA's with interstate pipelines, intrastate pipelines and other entities. No Difference balanced in-kind shall be allocated to any Buyer at the receipt or delivery points covered by the OBA. If an interstate pipeline charges Operator for Differences in the OBA, however characterized, Operator shall charge such interstate pipeline an equivalent and offsetting charge. If Operator is unable to charge or collect such equivalent and offsetting charges for such Differences, Operator, on an as-billed basis, shall allocate and bill such charges to Buyers responsible for the imbalance at the point of interconnection at which the Difference giving rise to the charges occurred.

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(3) Where an OBA exists between interconnecting parties, a PDA is not necessary.

(4) Changes to PDA may be made prospectively during the Month if such changes are approved by Operator. Only one PDA may be submitted per Gas Day. Operator may in its reasonable discretion make retroactive reallocations of transactions to correct for errors. Otherwise, no retroactive reallocations of any transactions shall be permitted without the approval of Operator and the agreement of those Buyers with Service Agreements affected by such retroactive reallocations, provided that the agreement by such affected Buyers shall not be unreasonably withheld.

(5) PDA's shall remain in effect until a replacement PDA is received from the interconnecting operator or upstream title holder; provided, however, PDA's shall be updated at the beginning of each Month or as needed during a Month as Buyers' nominations change.

(6) If the PDA is provided using EDI, Operator shall respond with an EDI confirmation indicating receipt of the PDA within 15 minutes, and whether there are any errors associated with the PDA.

(e) Prior Period Adjustments. Except for minor variations as agreed to by Operator and Buyer, prior period measurement adjustments will be taken back to the Month during which such gas flowed and reflected as such on invoices, imbalance statements and allocation statements. A meter adjustment becomes a prior period adjustment after the fifth business day following the business month. Measurement corrections shall be processed within 6 Months of the end of the flow Month, within a 3 Month rebuttal period. This provision does not apply in cases of deliberate omission, or misrepresentation, or mutual mistake of fact. No Party's other statutory or contractual rights are affected by this provision.

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(f) Disputed Allocations. Disputed allocations shall be communicated to Operator within 6 Months of the initial Month-end allocation, with a 3 Month rebuttal period. This time limitation shall not apply in the case of deliberate omission or misrepresentation, or mutual mistake of fact. No Party's other statutory or contractual rights are affected by this provision.

(g) Monitoring. For operational monitoring at electronically measured locations, allocated quantities shall be available the next Business Day after the gas has flowed at the end of the Gas Day. The scheduled quantity shall be made available at locations which are not measured electronically. The party receiving nominations shall provide allocation statements to the appropriate party for the meters it operates each Month. Measurement data available upstream of any aggregation point should be sent to the allocating party and used to allocate the aggregate volume back to the upstream points.

#### 16. Interruptions of Service

Interruptions of service for purposes of this Tariff (i) shall include but not be limited to decreasing, suspending, or discontinuing the receipt or delivery of Natural Gas, and (ii) shall be effected by Operator in accordance with the provisions of this Section.

##### (a) Interruptions of Firm Services.

(1) If due to force majeure, routine maintenance, modifications, tests or repairs to Operator's facilities or the need to protect the integrity or performance capability of its facilities, the available capacity in Operator's facilities or a portion thereof is temporarily insufficient to meet all of Operator's authorized firm services on any day, then Operator, upon providing as much notice as possible, shall interrupt all such services in accordance with the priorities set forth at Section 16(d) below. Operator shall notify Buyer of interruptions by telephonic and electronic communication to Buyer's representative, and shall do so seventy-two (72) hours in advance in the case of interruptions due to routine maintenance. Operator will specify in interruption orders issued pursuant to this Section the: (i) date and time by which Buyer must comply; and (ii) the revised quantity (if any) authorized to flow (Lowered Quantity). Operator will make every effort to schedule routine maintenance so that its firm delivery obligations under Rate Schedule FPS-1, FPS-2 and FPS-3 can be met during the Withdrawal Season.

(2) Where Operator's ability to render service is impaired in a particular portion of Operator's facilities, interruptions of firm services shall be effected, in accordance with Section 16(a)(1) above, only for those Buyers

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served through the portion(s) of Operator's facilities in which service has been impaired.

(3) A Buyer that fails to interrupt its firm service as directed by Operator shall be subject to penalties as set forth at Section 12 (Penalties) of the General Terms and Conditions.

(b) Interruptions of Interruptible Service.

(1) Operator may interrupt any interruptible services (i) for the reasons set forth in Section 16(a) above, or (ii) for the purpose of making capacity available for firm services. Whenever Operator determines that such interruption is appropriate, Operator shall do so in accordance with the priorities set forth at Section 16(d) below.

(2) Where Operator's ability to render service is impaired in a particular portion of Operator's facilities, interruptions of interruptible services shall be effected, in accordance with Section 16(b)(1) above, only for those Buyers served through the portion(s) of Operator's facilities in which service has been impaired.

(3) A Buyer that fails to interrupt its interruptible service as directed by Operator shall be subject to penalties as set forth at Section 12 (Penalties) of the General Terms and Conditions.

(c) Notice of Interruptions. If Operator interrupts services under any of its Rate Schedules at any time during any day as herein provided, Operator shall give as much notice of such interruptions as is practicable. When possible, Operator shall announce interruptions at 3:00 p.m. on the day preceding the planned interruption. Operator shall notify by facsimile each Buyer whose service is interrupted and shall post a notice of interruption on its Electronic Bulletin Board (EBB). Direct interconnect parties shall also receive notice of interruption from Operator's Gas Controllers by telephone or facsimile transmission; provided that such direct interconnect parties have, as required, made available a representative to maintain 24-hour contact with Operator to receive such notices. Such a representative shall have the requisite authority and capability to make any adjustments required as a result of Operator's notice of interruption. In the event of any conflicting communications, notices from Operator's Gas Controllers shall control.

(d) Service Priorities. The provisions of this paragraph apply to all Operator's Rate Schedules and all Service Agreements with Buyers thereunder. In the event capacity or facilities are not available to continue the receipt, liquefaction, storage, vaporization, transportation, or delivery of all Buyer's Natural Gas which has been scheduled and is flowing on Operator's facilities, Operator, shall interrupt service provided through the capacity in the constrained facilities among and within Rate Schedules in the priority set forth as follows until the necessary level of interruption (including complete interruption of the Cove Point LNG Plant and/or Cove Point Pipeline, if necessary), is achieved.

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(1) LNG Storage and Regasification Interruptions. Quantities under Rate Schedules FPS-1, FPS-2 and FPS-3 pro rata on the basis of Buyers' level of MDPQ .

(2) Natural Gas Liquefaction Interruptions. All quantities under Operator's Rate Schedules FPS-1, FPS-2 and FPS-3, pro rata based on Buyers' respective level of MDPQ.

(3) Natural Gas Interruptions. First, quantities under Operator's Rate Schedule ITS beginning with Buyers paying the lowest price and pro rata among Buyers paying the same price. Second, quantities flowing as Authorized Overrun Quantities under Operator's Rate Schedules FPS-1, FPS-2, FPS-3 pro rata on the basis of Buyers' respective level of MDPQ. Third, quantities at Secondary Receipt or Delivery Points under Rate Schedules FPS-1, FPS-2, FPS-3, and FTS, pro rata on the basis of Buyers' firm daily entitlement. Finally, quantities at Primary Receipt or Delivery Points under Rate Schedules FPS-1, FPS-2, FPS-3, and FTS, pro rata on the basis of Buyers' respective level of firm daily entitlement.

#### 17. Operational Flow Orders

Operational Flow Orders (OFO's) are orders by Operator directing that Buyer commence tenders of gas to or takes of gas from Operator's system. To the extent feasible, Operator shall attempt to direct such OFO's to those Buyers causing the condition that necessitates issuance of the OFO. Operator shall issue OFO's only when necessary for the protection of the integrity and performance capability of its facilities. OFO's may be issued by Operator at any time by telephone, facsimile and EBB communication to Buyer's representative; provided, however, that in non-emergency situations, Operator shall notify affected customers of impending OFO's by giving no less than seventy-two (72) hours notice, during which time the Buyer causing the condition that necessitates the issuance of an OFO shall have an opportunity to cure such condition.

#### 18. Billing and Payment.

##### (a) Billing.

(1) On or before the tenth day after the final monthly meter reading for each Billing Month, Operator shall render to Buyer an imbalance statement and a statement detailing (i) the billing determinants applicable to each Rate Schedule under which Buyer has contracted for service, (ii) the total quantity of Natural Gas delivered to or for the account of Buyer under each Rate Schedule during each Day of the preceding Billing Month, (iii) the net billing rate and the amount due. Billing statements and imbalance statements shall be deemed to be rendered when such statements are deposited by Operator with the U.S. Mail for first-class delivery, as evidenced by the postmark date, or deposited by Operator with an overnight courier service for delivery to Buyer.

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(2) When information necessary for billing purposes is in the control of Buyer, Buyer shall furnish such information to Operator on or before the fifth day after the final meter reading of each Billing Month.

(3) Both Operator and Buyer shall have the right to examine, at such reasonable times agreed to by both parties, each other's books, records, and charts to the extent necessary to verify the accuracy of any statement, charge, or computation made pursuant to any of the provisions of this Section.

(b) Payment.

(1) On or before the tenth day after Operator renders its bill to Buyer for the gas delivered during the preceding Billing Month, except when such tenth day is a Saturday, Sunday or federal bank holiday, Buyer shall pay Operator by wire transfer of Federal Funds immediately available to Operator at such bank account as Operator shall designate. When the payment due date falls on a Saturday, Sunday, or federal bank holiday, payment is due on the following Business Day. All such payments shall be considered to have been made on the date when Operator has use of said funds. Notwithstanding the foregoing, a Buyer whose monthly statement total amount due is less than \$10,000.00 may elect to make payment by check which shall be sent by U.S. Mail, First Class delivery and postmarked on or before the twentieth day of the month. All payments shall be identified by invoice number and, if a payment differs from the invoiced amount, remittance detail shall be provided with payment.

(2) If rendering of a bill by Operator is delayed until one or more days after the tenth day following the final monthly meter reading, then the time of payment shall be extended by the same number of days unless Buyer is responsible for such delay.

(3) Should Buyer fail to pay all of the amount of any bill as herein provided, interest on the unpaid portion of such bill shall be computed at the rate set forth in Section 154.67 of the Commission's Regulations, prorated for the number of days from the due date of payment until the actual date of payment.

(4) If Buyer in good faith disputes the amount of any such bill or part thereof, Operator shall not be entitled to suspend further delivery of Natural Gas if (i) Buyer pays to Operator such amounts it concedes to be correct and provides written documentation as to the basis for the dispute; (ii) within thirty (30) days of a demand made by Operator, Buyer furnishes good and sufficient surety bond in the amount and with surety satisfactory to Operator; (iii) such surety bond guarantees payment to Operator in the amount ultimately found due upon such bill, plus accrued interest, upon a final determination by agreement or by judgement of the courts; and (iv) Buyer does not default on the conditions of such bond.

(c) Adjustment of Billing Errors. If it shall be determined that Buyer has been overcharged or undercharged in any form whatsoever and Buyer has actually paid the bills containing such overcharge or undercharge, Operator shall refund the amount of any such overcharge or Buyer shall pay the amount of any such undercharge within thirty (30) days after final determination of such amounts. In the event an error is discovered in the amount billed in any statement rendered

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by Operator, such error shall be adjusted within thirty (30) days of Operator's determination of such error, provided that the claim therefore shall have been made within thirty (30) days after the date of discovery of such error, but in no event later than six (6) months after the date of such statement and 7 months from the date of the initial sales invoice with a three (3) Month rebuttle period. These time limitations shall not apply in cases of FERC required rate changes, to deliberate omissions, to misrepresentations or mutual mistake of fact. Neither Buyer's nor Operator's other statutory or contractual rights shall be affected by this provision.

(d) Suspension or Termination for Nonpayment. If Buyer under any Rate Schedule becomes delinquent by ten (10) days in the payment of any invoice, then such Buyer shall provide adequate assurance of payment to Operator within ten (10) days of the date of Operator's written notice of such delinquency. If Buyer does not, within such ten (10) day period, pay the invoice together with accrued interest, or does not provide adequate assurance of payment in accordance with the provisions of Section 6(d) (Operating Conditions) of the General Terms and Conditions, Operator may immediately suspend service to Buyer upon notice to Buyer. If the invoice is not paid in full within thirty (30) days after its due date and Buyer has not provided adequate assurance of payment, Operator, in addition to any other remedies it may have, may terminate the Service Agreement, effective after ten (10) days notice to Buyer. Such termination, however, will not be effectuated if Buyer pays all amounts due Operator and, if required by Operator, provides adequate assurance of payment for future service within such 10-day period. Termination of the Service Agreement shall not excuse payments of the amounts then due or any other existing obligation of Buyer including obligations to make future payments. Operator shall not be entitled to suspend service or terminate Buyer's Service Agreement pending resolution of an invoice disputed in good faith by Buyer if Buyer complies with the provisions of Section 18(b) (4) above.

(e) Refunds. Operator shall pay any refunds owed in excess of \$10,000.00 to any Buyer by wire or other electronic fund transfer of Federal Funds immediately available to Buyer at such bank account as Buyer shall designate.

#### 19. Measurements and Tests for Delivery of Natural Gas

The volumes of Natural Gas received or delivered through a meter or meters shall be determined in accordance with the provisions set forth in this Section.

(a) Measurement Unit. The Measurement Unit shall be one Dekatherm (Dth) of Natural Gas and shall be calculated by multiplying the volume delivered in Mcf by a fraction, the numerator of which is the Heating Value and the denominator of which is 1,000.

(b) Volumetric Measurement Base. The volumetric measurement base shall be one cubic foot of Natural Gas at a pressure base of fourteen and seventy-three one-hundredths (14.73) pounds per square inch absolute, a temperature base of sixty degrees (60 ) Fahrenheit (519.67 R Absolute), and dry. For gas volumes reported in cubic meters, 101.325 kPa, 15 degrees C, dry.

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(c) Atmospheric Pressure. The average absolute atmospheric (barometric) pressure shall be assumed to be fourteen and four-tenths (14.4) pounds per square inch, irrespective of actual elevation or location of the delivery point above sea level or variations in actual barometric pressure from time to time.

(d) Temperature. The temperature of the Natural Gas shall be determined at Operator's option:

(1) where Electronic Measurement equipment is provided, by continuous application of instantaneous temperature measurements from one or more of the meters at a measuring station, or by contemporaneous application of the arithmetic or other average of the temperature record from one or more of the meters for the time during which gas is flowing;

(2) where Electronic Measurement equipment is not provided,

(i) where an instrument which measures and records the temperature of the flowing gas is installed, by contemporaneous application of the arithmetic or other average of the hourly or daily temperature record from one or more of the meters at a measuring station, or

(ii) where an instrument which measures and records the temperature of the flowing gas is not installed, by contemporaneous application of the temperature as read from established tables of monthly averages for the point of measurement; or

(3) by any other method or methods mutually agreed upon by Operator and Buyer.

(e) Static Pressure. The static pressure of the Natural Gas shall be determined at Operator's option:

(1) where Electronic Measurement equipment is provided, by continuous application of instantaneous static pressure measurements from one or more of the meters at a measuring station, or by contemporaneous application of the arithmetic or other average of the static pressure record from one or more of the meters for the time during which gas is flowing;

(2) where Electronic Measurement equipment is not provided, by contemporaneous application of the static pressure record from one or more of the meters at a measuring station, or by contemporaneous application of the arithmetic or other average of the hourly or daily static pressure record from one or more of the meters at a measuring station; or

(3) by any other method or methods mutually agreed upon by Operator and Buyer.

(f) Specific Gravity. The specific gravity (relative density) of the Natural Gas shall be determined by gravitometric, chromatographic, or other generally accepted analytical method at Operator's option:

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(1) where Electronic Measurement equipment is provided,

(i) by contemporaneous application of continuous instantaneous specific gravity measurements, or by contemporaneous application of arithmetic or other average of the specific gravity for the time during which gas was flowing,

(ii) by prospective application of the arithmetic or other average of the specific gravity record, or

(iii) by prospective application of the results of analyses of samples of the gas;

(2) where Electronic Measurement equipment is not provided,

(i) by contemporaneous application of the arithmetic or other average of the hourly or daily continuous specific gravity record,

(ii) by prospective application of the results of analyses of samples of the gas; or

(3) by any other method or methods mutually agreed upon by Operator and Buyer.

(g) Heating Value. The heating value of the Natural Gas shall be determined by calorimetric, chromatographic, or other generally accepted analytical method at Operator's option:

(1) where Electronic Measurement equipment is provided,

(i) by contemporaneous application of continuous instantaneous heating value measurements, or by contemporaneous application of the arithmetic or other average of the heating value for the time during which gas was flowing,

(ii) by prospective application of the arithmetic or other average of the heating value Record, or

(iii) by prospective application of the results of analyses of samples of the gas;

(2) where Electronic Measurement equipment is not provided,

(i) by the contemporaneous application of the arithmetic or other average of the hourly or daily continuous heating value Record,

(ii) by prospective application of the results of analyses of samples of the gas; or

(3) by any other method or methods mutually agreed upon by Operator and Buyer.

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(h) Supercompressibility.

(1) The deviation of the Natural Gas from the Ideal Gas Laws shall be determined:

(i) in accordance with the American Gas Association, Par Research Project NX-19 report, titled "Manual for the Determination of Supercompressibility Factors for Natural Gas", Reprinted 1976, if the composition of the natural gas is such to render this procedure applicable, or

(ii) by any other method mutually agreed upon by Operator and Buyer.

(2) If the measurement method used by Operator requires the concentrations of nitrogen and carbon dioxide, the concentrations of nitrogen and carbon dioxide shall be determined by chromatographic or other generally accepted analytical method at Operator's option:

(i) where Electronic Measurement equipment is provided,

(a) by contemporaneous application of continuous instantaneous measurements of the concentrations of nitrogen and carbon dioxide, or by contemporaneous application of the arithmetic or other average of the concentrations of nitrogen and carbon dioxide for the time during which gas was flowing,

(b) by prospective application of the arithmetic or other average of the concentrations of nitrogen and carbon dioxide record, or

(c) by prospective application of the results of analyses of samples of the gas; or

(ii) where Electronic Measurement equipment is not provided,

(a) by the contemporaneous application of the arithmetic or other average of the hourly or daily concentrations of nitrogen and carbon dioxide, or

(b) by prospective application of the results of analyses of samples of the gas; or

(3) by any other method or methods mutually agreed upon by Buyer and Operator.

(i) Measuring Equipment.

(1) Unless otherwise agreed to in writing, Operator shall install, operate, and maintain measuring stations and equipment by which the quantities of Natural Gas delivered by Operator are determined.

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(2) Unless otherwise agreed to in writing, or unless gas is being received from an interstate pipeline company which has an approved FERC Gas Tariff governing measurement of gas it delivers, Operator will install, operate and maintain measuring stations and equipment by which the quantities of Natural Gas received by Operator are determined.

(3) Where measuring stations and associated equipment are installed, maintained or operated by Buyer, they shall be designed and installed in accordance with all engineering and other standards and practices as specified by Operator, and Operator shall have the right to be present and inspect the installation of all such measuring stations and equipment to insure compliance with such standards and practices. Buyer and Operator shall agree in writing to reasonable standards and practices by which such measuring stations and associated equipment shall be operated by Buyer as required to insure the continuous accuracy thereof and as required by Operator to provide Operator with continuous, real-time measurements and flows.

(4) Buyer and Operator shall have the right to be present at the time of any installation, reading, cleaning, change of charts, repair, inspection, test, calibration, or adjustment made in connection with Operator's or Buyer's measuring stations or equipment used to measure gas received by Operator for Buyer or delivered by Operator to Buyer.

(5) The records from measuring equipment shall remain the property of the operator of such equipment, but upon request the operator will submit to the other party its records, together with calculations therefrom, for inspection, subject to return within thirty (30) days after receipt thereof.

(6) Orifice meters shall be installed and operated, and gas quantities computed, in accordance with AGA Report No. 3, American National Standards Institute ANSI/API 2530, "Orifice Metering of Natural Gas", revised Second Edition, 1985, applied in a practical and appropriate manner, except that the supercompressibility factor shall be calculated in accordance with Section 19(h) above.

(7) Turbine meters shall be installed and operated, and gas quantities computed, in accordance with AGA Transmission Measurement Committee Report No. 7, "Measurement of Gas by Turbine Meters", 1985 Edition, applied in a practical and appropriate manner, except that the supercompressibility factor shall be calculated in accordance with Section 19(h) above.

(8) Diaphragm meters shall be installed and operated, and gas quantities computed, in accordance with ANSI 8109.1 or 8109.2, "Diaphragm Type Gas Displacement Meters", 1986, applied in a practical and appropriate manner, except that the supercompressibility factor shall be calculated in accordance with Section 19(h) above.

(9) Rotary meters shall be installed and operated, and gas quantities computed, in accordance with ANSI 8109.3, "Rotary Type Gas Displacement Meters", 1986, applied in a practical and appropriate manner, except that the

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supercompressibility factor shall be calculated in accordance with Section 19(h) above.

(10) Other types of meters may be used if mutually agreed to by Operator and Buyer.

(11) Instrumentation and equipment to provide Records or samples of gas necessary to determine the specific gravity, heating value, and/or concentrations of nitrogen or carbon dioxide as required under Sections 19(f), 19(g), and 19(h) hereof may be installed at representative points along the pipeline in lieu of installing such instrumentation and equipment at each measuring station.

(12) Upon notice to Buyers, Operator may prospectively implement and use any future editions or versions of the American Gas Association or ANSI reports referenced in this Section 19.

(13) Nothing in this Section 19(i) shall be construed to require Operator to construct any facilities.

(j) Check Measuring Equipment.

(1) Buyer may install check measurement equipment, provided such equipment does not interfere with the exercise of Operator's rights to operate its station under this Tariff.

(2) Operator, in the presence of Buyer, shall have access to Buyer's check measuring equipment at all reasonable times, but the reading, calibration and adjustment thereof and the change of charts shall be performed only by Buyer, unless otherwise agreed upon.

(3) Buyer shall exercise reasonable care in the installation, maintenance and operation of its equipment so as to avoid any inaccuracy in the determination of the quantity of gas delivered.

(4) The records from such check measuring equipment shall remain the property of Buyer, but upon request Buyer will submit to Operator its records and charts, together with calculations therefrom, for inspection, subject to return within thirty (30) days after receipt thereof.

(k) Calibration and Testing of Meters. The accuracy of all measuring equipment shall be verified by its operator at reasonable intervals and, if requested, in the presence of representatives of the other party, but neither Operator nor Buyer shall be required to verify the accuracy of such equipment more frequently than once in any 30-day period. If either party at any time desires a special test of any measuring equipment, or if either party at any time observes an error in any such measuring equipment, it will promptly notify the other party, and the parties shall then cooperate to secure a prompt verification of the accuracy of such equipment. The expense of any such special test shall be borne by the requesting party if the measurement equipment so tested is found not to be in error such that previous recordings from the equipment must be corrected under

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the provisions of Section 19(1) herein.

(1) Correction of Metering Errors. If, upon any test, any measuring equipment is found to be in error, such that the resultant aggregate error in the computed volumes of gas and quantities of energy received or delivered does not exceed two percent (2%), such errors may be taken into account in a practical manner in computing the volumes of gas and quantities of energy received or delivered. All equipment shall, in any case, be adjusted at the time of test to record correctly. If, however, the resultant aggregate error in the computed volumes of gas and quantities of energy received or delivered exceeds two percent (2%), previous recordings of such equipment, and the corresponding volumes of gas and quantities of energy received or delivered, shall be corrected to zero error for any period which is known definitely or agreed upon, but in case the period is not known definitely or agreed upon, such correction shall be for a period extending over one half of the time elapsed since the date of the last test, not exceeding a correction period of sixteen (16) days.

(m) Failure of Measuring Equipment.

(1) In the event any measuring equipment is out of service, or is found registering inaccurately and the error is not determinable by test, previous recordings from such equipment, or the volumes of gas or quantities of energy received or delivered through such equipment, shall be estimated:

(i) by using the registration of any check meter or meters if installed and accurately registering;

(ii) in the absence of check meters, by correcting the error if the percentage of error is ascertainable by calibration, special test or mathematical calculation;

(iii) in the absence of check meters or the possibility of calibrations, by using recordings or quantities received or delivered through such equipment during periods under similar conditions when the equipment was registering accurately; or

(iv) as otherwise agreed by Operator and Buyer.

(2) The recordings from such equipment, or the volumes of gas and quantities of energy received or delivered through such equipment, so estimated shall be used in determining the volumes of gas and quantities of energy received or delivered for any known or agreed upon applicable period. In case the period is not known or agreed upon, such estimated receipts or deliveries shall be used in determining the quantity of gas received or delivered hereunder during the latter half of the period beginning on the date of the immediately preceding test and ending on the date the measuring equipment has been adjusted to record accurately. The recordings of the measuring equipment during the first half of said period shall be considered accurate in computing receipts or deliveries.

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(n) Preservation of Records. Both Operator and Buyer shall preserve all test data, charts, and other similar records for a period of at least two (2) years, or such other longer period as may be required by public authority.

#### 20. Construction of Facilities

(a) Arrangement for Construction of Receipt and Delivery Facilities. Subject to conditions specified in this Section 20, Operator will construct or provide facilities necessary for the receipt and delivery of Natural Gas into its system if Operator determines (i) that no undue burden will thereby be placed upon Operator, and (ii) that no impairment of Operator's ability to render adequate service to its customers will result therefrom; and provided that Operator first is able to obtain all necessary governmental and other authorizations.

(b) Method of Payment. In the event Operator constructs facilities at the request of Buyer, Buyer shall pay Operator for the costs of such facilities in a manner agreed to in writing by Buyer and Operator in advance of construction of any such facilities. Such methods of payment may include, but shall not be limited to, a lump sum payment covering all the costs of such facilities, including income tax gross-up and applicable operation and maintenance.

(c) Construction of Other Facilities. Operator in its sole discretion may construct other facilities in accordance with the regulations of the Commission.

#### 21. Schedules and Contracts Subject to Regulation and Revision

(a) Subject to Regulation. This Tariff, including the Rate Schedules, the General Terms and Conditions, and the respective obligations of the parties under the Service Agreements and assignment Agreements, is subject to all valid laws, orders, rules, and regulations of duly constituted authorities having jurisdiction.

(b) Subject to Revision. Unless otherwise specified in the Service Agreement, Operator reserves the right from time to time to unilaterally file and to make effective revisions in the terms or rate levels (to the extent they are stated rates on file with the Commission and not negotiated based upon market conditions) of its Rate Schedules and the applicability thereof, the General Terms and Conditions or any other provisions of Operator's Tariff, subject to the applicable provisions of the Natural Gas Act and the Commission's Regulations thereunder.

#### 22. Complaint Resolution Procedure

(a) Any Buyer or potential Buyer may make a written complaint to Operator, addressed to, Attention: Chairman, regarding any dispute between Buyer and Operator arising under this Tariff. Buyer must specify each reason for the dispute. Within two business days of receiving a complaint, Operator shall provide an initial response to complainant, acknowledging receipt of the complaint and requesting further information as appropriate. If satisfactory resolution has not been achieved within thirty (30) days after receipt of Buyer's complaint,

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FERC Docket: RP97-162-001

**First Revised Sheet No. 135** First Revised Sheet No. 135 : Effective  
Superseding: Original Sheet No. 135

Operator shall appoint a Committee of appropriate and necessary personnel to review the complaint and provide a written decision to the complainant addressing each element thereof, and, where appropriate, recommending a course of action (the "Initial Decision"). In the event the complainant disagrees with this determination and makes a written request for reconsideration or clarification, specifying each reason the complainant disagrees with the Initial Decision, the Committee shall consider such request and within thirty (30) days after receipt thereof shall render its final written decision to complainant, addressing each element thereof and, where appropriate, recommending a course of action ("Final Decision"). At any time subsequent to the filing of the complaint, either the complainant or the Committee shall be prepared to meet with the other, upon request, at a time and place mutually agreed upon.

(b) The parties' participation in the foregoing procedures shall not be construed as a waiver of any legal or administrative rights which the parties may have. In order to facilitate a prompt and equitable resolution of any dispute, the parties, by participating in the meeting contemplated above, shall be deemed to agree that all notes and discussions at such meeting shall be confidential and privileged as in the nature of settlement discussions and shall not be admissible in evidence against any party in any other proceeding.

#### 23. Annual Charge Adjustment

(a) Purpose. For the purpose of funding of the Federal Energy Regulatory Commission's costs incurred in any fiscal year, this Section 23 establishes an annual charge adjustment applicable to the Operator's transportation rate schedules.

(b) Basis of the Annual Charge Adjustment. The rate schedules specified herein shall include an increment for an Annual Charge Adjustment ("ACA") for Federal Energy Regulatory Commission costs. Such adjustment shall be the ACA unit charge, adjusted to Operator's pressure base and heating value, if required, which is specified by the Federal Energy Regulatory Commission each year to recover its costs for its previous fiscal year. The ACA shall be reflected on the Currently Effective Rate Sheets of this Tariff. By electing the FERC ACA unit charge method of recovery, Operator hereby acknowledges its intent not to recover any annual charges in any general rate proceeding filed under Section 4(e) of the Natural Gas Act.

(c) Filing Procedure. The initial ACA or any subsequent changes in such assessment charge shall be filed by the Operator at least thirty (30) days prior to the proposed effective date, unless, for good cause shown, a lesser notice period and different effective date is allowed by valid Commission order. The proposed effective date of filings shall be October 1 of each calendar year.

#### 24. Notices

(a) Unless otherwise specifically provided in this Tariff that notices are to be performed through Operator's EBB, or through EDI, each notice, request, demand or other communication hereunder shall be in writing and shall be deemed to have been duly

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*FERC Docket: RP99-423-001*

**Sub. Sixth Revised Sheet No. 136** Sub. Sixth Revised Sheet No. 136 : Effective  
Superseding: Sixth Revised Sheet No. 136

given when delivered by hand, or five days after it is sent by mail, or one day after being sent by telex or facsimile (with receipt confirmed) provided a copy is also sent by mail, addressed as provided in the applicable Service Agreement. Any notice, request, demand, communication, or other posting made on Operator's EBB or on EDI as required by this tariff shall be considered as duly delivered when transmitted by the sending party. Routine communication by telephone between members of the operating staffs of Operator and Buyer shall be considered duly delivered without confirmation by mail. If Operator is required by this Tariff to provide any notice, request, demand or other communication to a Buyer by telephone communication, Operator may, at its option, make such communication via facsimile without any telephonic communication. Systemwide notices shall have a separate category for notices which are not critical.

Any party may change its address or representative for purposes of notice by giving the other parties notice in the manner set forth above.

#### 25. Marketing Affiliate - Shared Personnel and Facilities

Columbia Energy Services Corporation (Columbia Energy) is an affiliated marketing or brokering company of Operator, and maintains its principal office in Pittsburgh, Pennsylvania. Columbia Energy has marketing personnel with offices located in Pittsburgh, Pennsylvania, Charleston, West Virginia, and Houston, Texas, that are geographically separated from all of Operator's facilities and all of Operator's personnel. Columbia Energy and Operator both utilize a computer system owned and maintained by Columbia Gas System Service Corporation. Confidential information maintained in Operator's data files is not accessible to Columbia Energy. No operating personnel are shared between Operator and Columbia Energy.

#### 26. Compliance with 18 CFR, Section 284.10

Except where this tariff provides to the contrary, Operator shall comply with the business practices and electronic communication standards incorporated by reference in Section 284.10 of the Commission's Regulations (18 CFR Section 284.10), as listed below:

GISB Standards (Version 1.3): 1.3.2 (v-vi); 1.3.3; 1.3.4; 1.3.14; 1.3.17; 1.3.18;  
1.3.22 - 1.3.27; 1.3.29 - 1.3.46; 1.4.1 - 1.4.7; 2.3.1; 2.3.9; 2.3.10; 2.3.12;  
2.3.15; 2.3.17; 2.3.20; 2.3.23; 2.3.24; 2.3.27; 2.3.31; 2.4.1 - 2.4.6; 3.3.1 - 3.3.3;  
3.3.5 - 3.3.13; 3.3.16; 3.3.20 - 3.3.22; 3.4.1 - 3.4.4; 4.3.1 - 4.3.3; 4.3.5 -  
4.3.35; 5.3.9 - 5.3.11; 5.3.17; 5.3.20; 5.3.22; 5.3.23; 5.3.30; 5.4.1 - 5.4.17

GISB Definitions (Version 1.3): 1.2.1 - 1.2.6; 1.2.8 - 1.2.12; 2.2.1; 3.2.1; 4.2.1 -  
4.2.8; 5.2.1

"Model Electronic Data Interchange Trading Partner Agreement" as adopted by GISB on  
August 13, 1997, is incorporated by reference and posted on Operator's Web site

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*FERC Docket: CP94- 59-005*

**Original Sheet Nos. 137 Through 186** Original Sheet Nos. 137 Through 186 :    Effective

Sheet Nos. 137 through 186 are

Reserved for Future Use

Effective Date: 09/01/1995 Status: Effective

FERC Docket: CP94- 59-005

Original Sheet No. 187 Original Sheet No. 187 : Effective

Form of Service Agreement  
Under Rate Schedules: FPS-1, FPS-2, FPS-3, FTS and ITS

#### SERVICE AGREEMENT

THIS AGREEMENT, made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, by and between COVE POINT LNG LIMITED PARTNERSHIP ("Operator") and \_\_\_\_\_ ("Buyer").

WITNESSETH: That in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

Section 1. Service to be Rendered. Operator shall perform and Buyer shall receive service in accordance with the provisions of the effective Rate Schedule \_\_\_\_\_, the applicable General Terms and Conditions of Operator's FERC Gas Tariff, First Revised Volume No. 1, on file with the Federal Energy Regulatory Commission (Commission), as the same may be amended or superseded in accordance with the rules and regulations of the Commission and the terms and conditions of this Service Agreement including Appendices A and B. The maximum obligation of Operator to provide \_\_\_\_\_ service to or for Buyer is specified in Appendix A, as the same may be amended from time to time by agreement between Buyer and Operator. Service hereunder shall be provided subject to the provisions of Subpart \_\_\_\_\_ of Part 284 of the Commission's regulations. [For Subpart B service, Buyer warrants that service hereunder is being provided on behalf of \_\_\_\_\_, a local distribution company or an intrastate pipeline.]

Section 2. Term. Service under this Agreement shall commence as of \_\_\_\_\_ and shall continue in full force and effect until \_\_\_\_\_. Pre-granted abandonment shall apply upon termination of this Agreement.

Section 3. Rates. Unless otherwise agreed to by the parties in writing, and subject to Appendix B attached hereto, Buyer shall pay Operator the maximum charges and furnish Retainage as set forth in the above-referenced Rate Schedule and Tariff.

Section 4. Notices. Notices to Operator under this Agreement shall be addressed to it at 20 Montchanin Road, Wilmington, Delaware 19807 and notices to Buyer shall be addressed to it at \_\_\_\_\_

Attention: \_\_\_\_\_, until changed by either party by written notice.

Section 5. Superseded Agreements. This Service Agreement supersedes and cancels, as of the effective date hereof, the following Service Agreements:

BUYER	COVE POINT LIMITED PARTNERSHIP
By _____	By _____
Title _____	Title _____
Date _____	Date _____

Effective Date: 09/01/1995    Status: Effective

FERC Docket: CP94- 59-005

**Original Sheet No. 188** Original Sheet No. 188 :    Effective

Form of Service Agreement  
Under Rate Schedules FPS-1, FPS-2 and FPS-3

Appendix A  
to  
FPS-\_\_ Service Agreement  
between Cove Point LNG Limited Partnership (Operator)  
and (Buyer)

Quantity: Maximum Contract Peaking Quantity:                    Dth (MCPQ)  
Maximum Daily Peaking Quantity:                    Dth (MDPQ)

Receipt Points/Delivery Points:

Primary Receipt Points for Natural Gas  
Measuring                    Maximum Daily  
Sta. Name                    Quantity (Dth/day)

Primary Delivery Points for Natural Gas  
Measuring                    Maximum Daily  
Sta. Name                    Quantity (Dth/day)

LNG Receipt and Delivery Points

Operator's LNG Storage Tanks

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**Original Sheet No. 189** Original Sheet No. 189 : Effective

The Master List of Interconnects as defined in the General Terms and Conditions of Operator's Tariff is incorporated herein by reference for purposes of listing valid secondary receipt points and delivery points

Other Terms and Conditions:

Service changes pursuant to this Appendix A shall commence as of \_\_\_\_\_ . This Appendix A shall cancel and supersede the previous Appendix A to the Service Agreement dated \_\_\_\_\_. With the exception of this Appendix A, all other terms and conditions of said Service Agreement shall remain in full force and effect.

(BUYER) COVE POINT LNG LIMITED PARTNERSHIP

By \_\_\_\_\_ By \_\_\_\_\_

Title	Title
-------	-------

Date \_\_\_\_\_ Date \_\_\_\_\_

Effective Date: 09/01/1995 Status: Effective

FERC Docket: CP94- 59-005

Original Sheet No. 190 Original Sheet No. 190 : Effective

Form of Service Agreement  
Under Rate Schedule FTS

Appendix A  
to  
FTS Service Agreement  
between Cove Point LNG Limited Partnership (Operator)  
and (Buyer)

Maximum Firm Transportation Quantity (MFTQ): (Dth/day)  
FTS Service IS/IS NOT being performed as the Elected FTS Service option pursuant  
to Rate Schedule FPS-1, FPS-2 or FPS-3.

Primary Receipt Points

Measuring Sta. Name	Maximum Daily Quantity (Dth/day)
------------------------	-------------------------------------

Primary Delivery Points

Measuring Sta. Name	Maximum Daily Quantity (Dth/day)
------------------------	-------------------------------------

The Master List of Interconnects (MLI) as defined in the General Terms and  
Conditions of Operator's Tariff is incorporated herein by reference for the  
purposes of listing valid secondary receipt points and delivery points.

Service changes pursuant to this Appendix A shall become effective as of  
. This Appendix A shall cancel and supersede the previous Appendix  
A effective as of

, to the Service Agreement referenced above. With the  
exception of this Appendix A, all other terms and conditions of said Service  
Agreement shall remain in full force and effect.

(BUYER) COVE POINT LNG LIMITED PARTNERSHIP

By	By	
Title	Title	Date
Date		

Effective Date: 09/01/1995    Status: Effective

FERC Docket: CP94- 59-005

**Original Sheet No. 191** Original Sheet No. 191 :    Effective

Form of Service Agreement  
Under Rate Schedule ITS

Appendix A  
to  
ITS Service Agreement  
between Cove Point LNG Limited Partnership (Operator)  
and (Buyer)

Interruptible Transportation Quantity (ITQ):                      Dth/day

The Master List of Interconnects (MLI) as defined in the General Terms and Conditions of Operator's Tariff is incorporated herein by reference for purposes of listing valid interruptible receipt points and delivery points.

Service changes pursuant to this Appendix A shall become effective as of . This Appendix A shall cancel and supersede the previous Appendix A effective as of

, to the Service Agreement referenced above. With the exception of this Appendix A, all other terms and conditions of said Service Agreement shall remain in full force and effect.

(BUYER)		COVE POINT LNG LIMITED PARTNERSHIP	
By		By	
Title		Title	Date
	Date		

Effective Date: 09/01/1995    Status: Effective

FERC Docket: CP94- 59-005

**Original Sheet No. 192** Original Sheet No. 192 :    Effective

Form of Service Agreement  
Under Rate Schedules FPS-1, FPS-2 and FPS-3

Appendix B  
to  
[FPS-1, FPS-2 or FPS-3] Service Agreement  
Between Cove Point LNG Limited Partnership (Operator)  
and \_\_\_\_\_ (Buyer)

Rates and Charges:

This Appendix B shall become effective as of \_\_\_\_\_ and shall cancel  
and supersede the previous Appendix B to the Service Agreement dated \_\_\_\_\_  
. With the exception of this Appendix B, all other terms and  
conditions of said Service Agreement shall remain in full force and effect.

(BUYER)		COVE POINT LNG LIMITED PARTNERSHIP	
By		By	
Title		Title	Date
	Date		

Effective Date: 09/01/1995 Status: Effective

FERC Docket: CP94- 59-005

Original Sheet No. 193 Original Sheet No. 193 : Effective

REQUEST FOR SERVICE FORM  
COVE POINT LNG LIMITED PARTNERSHIP

A completed form must be submitted for each Rate Schedule requested.

1. TYPE OF SERVICE (Please check)
- A. Rate Schedule
1. Firm Peaking Service FPS-1 (10-day)
  2. Firm Peaking Service FPS-2 (5-day)
  3. Firm Peaking Service FPS-3 (3-day)
  4. Firm Transportation Service (FTS)
  5. Interruptible Transportation Service (ITS)

- B. Authority
1. Part 284, Subpart B (NGPA 311)
  2. Part 284, Subpart G (Blanket Certificate)

C. Transportation Service

If Requestor is seeking service hereunder to be implemented pursuant to Section 311 of the NGPA, attach certification by the local distribution company or intrastate pipeline company, as defined in the NGPA, on whose behalf the service is requested, that such service is authorized to be provided within the meaning of 18 C.F.R. Section 284.102(d) (3), if the local distribution company will not have physical custody of and transport the gas or will not hold title to the gas.

Service to be provided on behalf of:  
, a/an:

1. Local Distribution Company
2. Intrastate Pipeline Company
3. Interstate Pipeline Company
4. End user

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REQUEST FOR SERVICE FORM (cont'd)

2. IDENTITY OF BUYER

A. Legal Name:

B. Mailing Address:

C. Street Address:  
(if different from B, no P.O.  
Boxes)

D. Billing Address:  
(if different  
from B)

E. Energy Information Administration (EIA) Code  
(if known)

F. Contact Person: (Name)  
(Phone)  
(Fax No.)

G. State of Incorporation/Business Type  
(State)  
(Type, e.g. corporation,  
general partnership)

H. Buyer is:  
1. Local Distribution Company  
2. Intrastate Pipeline Company  
3. Interstate Pipeline Company  
4. Enduser  
5. Producer  
6. Marketer  
7. Other:

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REQUEST FOR SERVICE FORM (cont'd)

3. AFFILIATIONS

- A. Is Buyer an affiliate of Cove Point LNG? Yes No  
B. If yes, identify:  
C. Is gas to be transported/liquefied  
purchased from a supplier/  
marketer affiliated with Cove Point LNG? Yes No  
D. If yes, identify supplier:

4. COMMENCEMENT DATE REQUESTED: / /

5. TERMINATION DATE REQUESTED: / /

6. RESERVATION QUANTITY

- A. Rate Schedule FPS-1 (MDPQ): Dth/day  
B. Rate Schedule FPS-2 (MDPQ): Dth  
C. Rate Schedule FPS-3 (MDPQ): Dth/day  
D. Rate Schedule FTS (MFTQ): Dth/day

7. RATE SCHEDULE ITS QUANTITY (ITS) Dth/day

8. RECEIPT POINT(S)

- A. For each requested Receipt Point, list the following:  
1. Receipt Measuring Station name.  
2. Quantity to be delivered to Seller (Dth/day).  
3. Name of upstream entity delivering gas.

Primary Receipt Point: 1.  
2.  
3.

Secondary Receipt Point: 1.  
2.  
3.

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REQUEST FOR SERVICE FORM (cont'd)

9. DELIVERY POINT(S)

A. For each requested Delivery Point, list the following:

1. Delivery Measuring Station Name.
2. Quantity to be delivered by Seller (Dth/day).
3. Name of downstream entity receiving gas.

Primary Delivery Point: 1.  
2.  
3.

Secondary Delivery Point: 1.  
2.  
3.

10. REGULATORY APPROVALS

List any regulatory approvals required by Requestor to commence service:

Requestor certifies that the information contained in this Request for Service is complete and accurate to the best of Requestor's knowledge and that all regulatory approvals that are necessary for gas to be received into and delivered from Seller's facilities have been obtained or applied for by Requestor except as otherwise noted.

Requestor (Buyer):

Signed By :  
Title :  
Date : / /

*Effective Date: 06/01/1997    Status: Effective*

*FERC Docket: RP97-162-001*

**First Revised Sheet No. 197** First Revised Sheet No. 197 : Effective  
Superseding: Original Sheet No. 197

Sheet No. 197 Reserved For Future Use

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**First Revised Sheet No. 198** First Revised Sheet No. 198 : Effective  
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Sheet No. 198 Reserved For Future Use

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**First Revised Sheet No. 199** First Revised Sheet No. 199 : Effective  
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Sheet No. 199 Reserved For Future Use

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**First Revised Sheet No. 200** First Revised Sheet No. 200 : Effective  
Superseding: Original Sheet No. 200

Sheet No. 200 Reserved For Future Use

FERC Docket: CP94- 59-005

**Original Sheet No. 201** Original Sheet No. 201 : Effective

## LNG INVENTORY TRANSFER FORM

## COVE POINT LNG LIMITED PARTNERSHIP

\_\_\_\_\_, a Buyer of service from Cove Point LNG Limited Partnership (Operator) under Service Agreement No. \_\_\_\_\_ under Operator's Rate Schedule (Transferor), requests, pursuant to Section \_\_\_\_\_ of the General Terms and Conditions of Operator's FERC Gas Tariff, to transfer \_\_\_\_\_ Dth to \_\_\_\_\_, a Buyer of service from Operator under Service Agreement No. \_\_\_\_\_ under Operator's Rate Schedule (Transferee). Transferee agrees to the transfer of such quantities to its account under its said Service Agreement. Receipt of this form by Operator and Operator's notice of acceptance sent to Transferor and Transferee shall constitute a binding contract between the parties.

Transferor

Transferee

By:

Name :

Title:

Date:

By:

Name :

Title:

Date:

ACCEPTED

REJECTED

Cove Point LNG Limited Partnership

Name :

Title:

Date (and Effective Date if accepted):

Effective Date: 09/01/1995    Status: Effective  
FERC Docket: CP94- 59-005

**Original Sheet No. 202** Original Sheet No. 202 :    Effective

ASSIGNMENT AGREEMENT FORM

Assignment Agreement  
between Cove Point LNG Limited Partnership (Operator)  
and \_\_\_\_\_ (Assignee)

This Assignment Agreement ("Agreement") made and entered into this \_\_\_\_\_ day  
of \_\_\_\_\_, by and between Cove Point LNG Limited Partnership ("Operator")  
and \_\_\_\_\_ ("Assignee").

W I T N E S S E T H:

WHEREAS, pursuant to a Release Notice complying with  
Section 10 of the General Terms and Conditions of Operator's FERC Gas Tariff,  
Original Volume No. 1 ("Tariff"), Releasor released capacity and service rights  
under its Service Agreement with Operator or under a prior Assignment Agreement,  
subject to the requirements set forth in said Section 10 and in the Release  
Notice; and

WHEREAS, Assignee is to be awarded all or part of such capacity and service  
rights in accordance with Section 10 of Operator's Tariff.

NOW THEREFORE, in consideration of the mutual covenants herein contained, the  
parties agree as follows:

Section 1.      Assignment.    Operator hereby assigns to Assignee the capacity  
and service rights hereinafter specified under Releasor's (\_\_\_\_ Service Agreement  
No. \_\_\_\_; or Assignment Agreement No. \_\_\_\_ ) to the extent described in such  
Agreement, and attached hereto and incorporated herein by reference.

Section 2.      Obligations of Assignee.    Assignee shall comply with all the  
applicable terms and conditions of Releasor's Service Agreement/Assignment  
Agreement described in Section 1 above, Operator's applicable Rate Schedule and  
the General Terms and Conditions of Operator's Tariff, under which Assignee shall  
be deemed to be a "Buyer".    Assignee shall, each month during the term of this  
Agreement, pay Operator the Reservation Charge specified in Assignee's accepted  
bid, including any Reservation Charge set forth as a volumetric rate.    Assignee  
shall also pay all commodity charges, Retainage, surcharges and penalties  
associated with the capacity and service rights assigned under this Agreement, as  
set forth in Operator's currently effective Tariff, as may be adjusted from time  
to time upon approval of the Federal Energy Regulatory Commission ("FERC" or  
"Commission").

Section 3.      Obligations of Operator.    Operator shall provide service to  
Assignee and shall bill Releasor and Assignee in accordance with the assigned  
Service Agreement/Assignment Agreement described in Section 1 above, Operator's  
applicable Rate Schedule and the General Terms and Conditions of Operator's FERC  
Gas Tariff.

Section 4.      Term.    Service under this Agreement shall commence as of  
\_\_\_\_\_, \_\_\_\_\_, and shall continue in full force and effect until  
\_\_\_\_\_, \_\_\_\_\_.

Effective Date: 09/01/1995    Status: Effective

FERC Docket: CP94- 59-005

**Original Sheet No. 203** Original Sheet No. 203 :    Effective

Section 5.        Releasor's Recall Rights.    This Agreement and assignment shall be subject to Releasor's rights to recall in accordance with the following requirements: [list all recall conditions including notice, frequency, duration, etc.]

Section 6.        Notices.    Notices given under this Agreement shall be provided in accordance with Section 24 of the General Terms and Conditions of Operator's Tariff as follows:

If to Operator:

If to Assignee:

Section 7.        Successors and Assigns.    Consistent with Section 5 of the General Terms and Conditions of Operator's Tariff, this Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective successors and assigns; provided, however, that if this Agreement is subject to recall rights as set forth in Section 5 above, the capacity and the service rights assigned herein shall not be further assigned by Assignee.

Section 8.        Miscellaneous.    Other agreements between Operator and Assignee not inconsistent with Operator's Tariff, the Release Notice underlying this Assignment Agreement or other terms and conditions specified in the Release which are applicable to this Agreement, are as follows:

Section 9.        Applicability.    All applicable provisions of Operator's Tariff are incorporated herein and made part hereof by reference.    This Agreement shall be interpreted under the laws of the State of Delaware.

ASSIGNEE

COVE POINT LNG LIMITED PARTNERSHIP

By  
Title  
Date

By  
Title  
Date

Effective Date: 09/01/1995 Status: Effective

FERC Docket: CP94- 59-005

**Original Sheet No. 204** Original Sheet No. 204 : Effective

INDEX OF FIRM CUSTOMERS

Customer Name	Rate Schedule	Contract Quantity (Dth/day)	Contract Number	Contract Date	Effective Date	End of Primary Term
Columbia Gas of Kentucky, Inc,	FPS-2	5,000	FPS2003	12/6/94	12/6/94	4/15/00
Columbia Gas of Ohio, Inc.	FPS-2	90,000	FPS2002	12/6/94	12/6/94	4/15/00
Commonwealth Gas Services, Inc.	FPS-1	15,000	FPS1002	12/6/94	12/6/94	4/15/00
Panda-Brandywine, L.P.	FTS	24,000	FTS0001	3/30/95	6/1/96	6/1/16
Public Service Company of North Carolina, Inc.	FPS-1	50,000	FPS1003	12/6/94	12/6/94	4/14/06
Virginia Natural Gas	FPS-1	10,000	FPS1001	12/5/94	12/5/94	4/15/05
Washington Gas Light Company	FPS-2	50,000	FPS2001	12/5/94	12/5/94	4/15/15

Effective Date: 09/01/1995 Status: Effective

FERC Docket: CP94- 59-005

Original Sheet No. 205 Original Sheet No. 205 : Effective

COVE POINT LNG LIMITED PARTNERSHIP  
Pipeline  
Master List of Interconnections

Receipt Points

	No. 1	No. 2
Name:	Cove Point LNG	Cove Point LNG
Connecting Pipeline/LDC:	Loudoun Station	Loudoun Station
	Columbia Transmission	CNG Transmission
Location:	Leesburg, VA	Leesburg, VA

Delivery Points

	No. 1	No. 2	No. 3
Name:	Cove Point LNG	Cove Point LNG	
Centreville			
Connecting Pipeline/LDC:	Loudoun Station	Loudoun Station	
Gas Light	Columbia Transmission	CNG Transmission	Washington
Location:	Leesburg, VA	Leesburg, VA	
Centreville, VA			

  

	No. 4	No. 5	No. 6
Name:	White Plains Tap	Chalk Point	Prince
Frederick			
Connecting Pipeline/LDC:	Washington Gas Light	Washington Gas Light	Washington
Gas Light			
Location:	White Plains, MD	Benedict, MD	Prince
Frederick, MD			

  

	No. 7
Name:	Lusby
Connecting Pipeline/LDC:	Washington Gas Light
Location:	Lusby, MD

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Superseding: Original Sheet No. 206

BID FOR CAPACITY RELEASE  
COVE POINT LNG LIMITED PARTNERSHIP

1.a.        Identity of Requestor

Legal Company Name \_\_\_\_\_  
\_\_\_\_\_

Abbreviation or short name (if applicable)  
\_\_\_\_\_

Phone Number \_\_\_\_\_

Facsimile Number \_\_\_\_\_  
\_\_\_\_\_

b.        Identity of Assignee (if different than Requestor)

Written documentation must be submitted to support Requestor's legal authorization to negotiate and/or bind the Assignee contractually.

Legal Company Name \_\_\_\_\_  
\_\_\_\_\_

Abbreviation or short name (if applicable)  
\_\_\_\_\_

Phone Number \_\_\_\_\_

Facsimile Number \_\_\_\_\_  
\_\_\_\_\_

ADDRESSES FOR NEW ASSIGNMENT

MAILING

Street \_\_\_\_\_  
City \_\_\_\_\_  
State \_\_\_\_\_  
Zip Code \_\_\_\_\_

Contact Person (Mr., Mrs., Miss, Ms.) \_\_\_\_\_  
\_\_\_\_\_

BILLING (if different than Mailing)

Street \_\_\_\_\_  
City \_\_\_\_\_  
State \_\_\_\_\_  
Zip \_\_\_\_\_  
Code \_\_\_\_\_

Contact Person (Mr., Mrs., Miss, Ms.) \_\_\_\_\_  
\_\_\_\_\_

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Superseding: Original Sheet No. 207

BID FOR CAPACITY RELEASE (Cont'd)

IMBALANCES (if different than Billing)

Street \_\_\_\_\_  
City \_\_\_\_\_  
State \_\_\_\_\_  
Zip \_\_\_\_\_  
Code \_\_\_\_\_  
Contact Person (Mr., Mrs., Miss, Ms.) \_\_\_\_\_

The above customer information detail must be established initially. Once established, only changes to this detail must be resubmitted.

\_\_\_\_\_ 2. The Bidder is a (n)  
(Please enter the appropriate code.)

CODE

1. Local Distribution Company
2. Interstate Pipeline Company
3. Intrastate Pipeline Company
4. End User
5. Producer
6. Marketer
7. Other
8. Pipeline Blanket Sales Operating Unit

\_\_\_\_\_ 3. a. Please answer the following  
Parcel Number (if not a stand-alone bid, please reflect all related parcel numbers  
below).

\_\_\_\_\_ Bid Rate (Reflect bid rate in a. or b. below. Bid rate must comport with the capacity release  
offer. Choose only one option under (a) or (b) unless you want a blended rate to be considered.)

\_\_\_\_\_ a. ( i) Absolute dollars and cents two-part rate  
\_\_\_\_\_ (ii) Absolute dollars and cents one-part rate

\_\_\_\_\_ b. ( i) Percent of maximum rate two-part rate  
\_\_\_\_\_ (ii) Percent of maximum rate one-part rate

c. State Bid Offer Contingencies

4. Term of Service  
Beginning Date                      Ending Date  
      /        /                      /        /

5. Please enter the appropriate quantities:

\_\_\_\_\_ a. Transportation Demand/Quantity (Dth/d) for services under all Rate  
Schedules EXCEPT FSS.

\_\_\_\_\_ b. Storage Quantity (Dth) for service under FSS.

\_\_\_\_\_ c. Maximum Daily Storage Quantity (MDSQ) for FSS (Dth/d).

